

ing any importations from Porto Rico or any domestic production to speak of, the thing to do would be to put these things on the free list, and that is why we did it.

Mr. BINGHAM. Will not the Senator permit it to go to conference, in order that the figures may be obtained on it?

Mr. SMOOT. If we do that, then we shall have to adjust other rates, all the candy rates, and the rates on all the things into which these products go.

Mr. BINGHAM. No, Mr. President, it can be left just as it is in the present law. The only change made from the present law on citron and citron peel was to take the crude citron peel out of the protected class and put it on the free list.

Mr. SMOOT. I have no objection to it going to conference.

Mr. BINGHAM. If the Senator will let it go to conference, then the Delegate from Porto Rico, who is very familiar with the figures, can present the reasons why the duty should not be removed.

Mr. SMOOT. In paragraph 739, line 19, we would have to raise the 6 cents to 8 cents.

Mr. McKELLAR. Mr. President, I can not hear the Senator. Will he tell us again what we would have to do?

Mr. SMOOT. The Senator from Connecticut asks that citron and citron peel be taken from the free list and put on the dutiable list at 2 cents a pound. If that is done, then we will have to return to page 135 of the bill, paragraph 739, where citrons and citron peel carry a duty of 6 cents a pound. That is based upon free citron peel. If we put a duty upon it we will have to make that differential of 2 cents.

Mr. WALSH of Massachusetts. Mr. President, there are exceedingly few products in this bill which have been put on the free list. The Ways and Means Committee of the House, which everybody recognizes as controlled by a majority of strong protectionists, and the Finance Committee, likewise organized with a majority of protectionists, both agreed that this product should go upon the free list.

The Tariff Commission states that this citron is not produced in the United States, but comes from the Island of Corsica, where there are produced about five to six million pounds of citron in brine annually. This is edible, used in cakes and candies and as a spice. I do not believe there is any sound reason advanced for setting aside the few sound judgments made by the Ways and Means Committee and the Finance Committee, one of which was the putting of this edible fruit and peel upon the free list. I hope the amendment will not prevail.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. JONES obtained the floor.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. JONES. I will yield to the Senator with the understanding that I may have the floor on the convening of the Senate to-morrow. I expect to take up the matter of lumber.

Mr. CONNALLY. Mr. President, I have an amendment I want to offer which I am sure will not lead to any debate.

Mr. SMOOT. Mr. President, I was going to suggest that we take a recess. Would not to-morrow do just as well?

Mr. CONNALLY. That will be all right.

Mr. WAGNER. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. SMOOT. I yield.

Mr. WAGNER. I have an amendment prepared now which is simply to carry forward an amendment already adopted by the Senate putting certain spices on the free list. This was prepared at the request of the Senator from Utah, and I am ready to offer it now.

Mr. SMOOT. Let it be printed and I will check it over.

The VICE PRESIDENT. The amendment will be received and printed and lie on the table.

RECESS

Mr. SMOOT. I move that the Senate take a recess, the recess being until 11 o'clock to-morrow.

The amendment was agreed to; and the Senate (at 5 o'clock p. m.), under the order previously entered, took a recess until to-morrow, Thursday, February 27, 1930, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, February 26, 1930

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou, who givest liberally unto all men, be unto us very, very real, good, and compassionate. Set us free from besetting sins and evil tendencies. Deeper than we have ever known

and clearer than we have ever seen, do Thou reveal Thyself unto the officers and Members of this Congress. Let Thy spiritual truth grow up through our daily tasks—a duty well done brings us very close to our Heavenly Father. While the earth gives us its generous treasures, O light up our souls with the reflection of worlds unknown. We praise Thee that not even a wounded sparrow cries to Thee in vain, for the glories of Thy kingdom are love and rest beneath eternity's cloudless skies. Through Christ Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 117. For the relief of farmers in the storm, flood, and/or drought stricken areas of Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, Ohio, Oklahoma, Indiana, Illinois, Minnesota, North Dakota, Montana, New Mexico, and Missouri.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3135. An act granting the consent of Congress to Helena S. Raskob to construct a dam across Robins Cove, a tributary of Chester River, Queen Annes County, Md.; and

S. 3297. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.

H. R. 3658—MAKE BOONESBOROUGH A NATIONAL PARK

Mr. WALKER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on the bill (H. R. 3658), to make Boonesborough, Ky., a national park.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

Mr. WALKER. Mr. Speaker, this bill is sponsored and being urged by the Boonesborough Chapter of the Daughters of the American Revolution, of Richmond, Ky., an organization of patriotic women, who are prompted alone by a desire to honor the memory of the illustrious heroes of Fort Boonesborough, and to make and hold sacred the land where these great events of history transpired, under the leadership of Daniel Boone.

Daniel Boone was born in Bucks County, Pa., on February 11, 1735, and moved with his father, Squire Boone, to North Carolina in 1748, and died in St. Charles County, Mo., on September 26, 1820. He was the great pioneer of the West, and his chief operations were in the State of Kentucky, where he is buried at Frankfort. The history of his life and his activities have been too frequently recorded to be repeated here. He was the commander of Fort Boonesborough and took over the command in 1775. The fort was erected by Daniel Boone and his compatriots. He came through what is known as the Wilderness Road from North Carolina, a distance of 200 miles, to the site of Fort Boonesborough, located on the Kentucky River, in Madison County, Ky., in the bluegrass region.

The erection of the fort started on April 1, 1775, and the stockade was finished June 14, 1775. It was the first fortified station west of the Alleghenies. It was the sentinel that guarded the western frontier for the benefit of the American Colonies in the War of the Revolution. It prevented an attack from the west on the Revolutionary forces. It protected them on the west. It withstood three sieges—two in 1777 and the great siege of 1778. Had Boonesborough fallen the enemy could easily have marched on the Colonies from the west and the final victory of the Revolution would have been delayed, if not destroyed, by such an assault from the west.

Students of history recognize the fact that the victory of Boone and his companions at Fort Boonesborough was a great contributing cause of the winning of the Revolutionary War and extending the American territory over the great Northwest to the Mississippi River. Had Boonesborough fallen, the mountains would have been the western boundary of the original thirteen States, even if they had been successful. If Boonesborough had fallen, it would have jeopardized if not destroyed their success; but, as Boonesborough stood and withstood the sieges, it hastened the end of the war and brought about early victory as well as extending the boundary of the great Northwest territory to the Mississippi River, which made possible the further extension of the United States to the Pacific Ocean.

Fort Boonesborough was 140 feet wide and 260 feet long, and the following description is taken from Roosevelt's *Winning of the West*:

At each corner was a 2-storied loopholed blockhouse, to act as a bastion. The stout log cabins were arranged in straight lines, so that their outer sides formed part of the wall. The spaces between them were filled with a high stockade made of heavy, square timbers thrust upright into the ground and bound together within by a horizontal stringer near the top. They were loopholed like the blockhouses. The heavy wooden gates on the east and west were closed with stout bars and were flanked without by the blockhouses and within by small windows cut in the nearest cabins. The houses had sharp sloping roofs, made of huge clapboards, and these great wooden slabs were kept in place by long poles bound with withes to the rafters. In case of dire need the cattle and horses were kept in the open space in the middle.

The first legislative body held west of the Alleghenies convened at Fort Boonesborough, to make necessary laws for the fort in June, 1775. This was the first fort in the West, where women were admitted, and they greatly aided the men in the siege, by carrying water and powder and molding bullets. The defenders of this fort included such prominent and historical names as Boone, Henderson, Hart, Shelby, Estill, Rodes, Calloway, Clay, Irvine, Woods, and many others. They and their children are among the Nation's best, and it was indeed a race of heroes which sprung from the founders of Fort Boonesborough, and they included many scholars, soldiers, statesmen, lawyers, orators, judges, and preachers. Fort Boonesborough was indeed the defender of the western frontier in the War of the Revolution. It held forth from 1775 to 1783, and in H. R. 3658 we are asking that the site of Fort Boonesborough be made a national park, with a monument to Boone and his compatriots, as a fitting and lasting recognition of this great historical spot.

I conclude with the words of Lord Byron, in *Don Juan*:

Of the great names which in our faces stare,
The General Boone, backwoodsman of Kentucky,
Was happiest amongst mortals anywhere;

And what's still stranger, left behind a name
For which men vainly decimate the throng,
Not only famous, but of that good fame,
Without which Glory's but a tavern song—
Simple, serene, the antipodes of Shame,
Which Hate nor Envy e'er could tinge with wrong.

ORDER OF BUSINESS—CALENDAR WEDNESDAY BUSINESS

Mr. DENISON rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. DENISON. Mr. Speaker, I rise to ask unanimous consent to dispose of a bill or two on the Speaker's table, if there is no objection. The first one is a bill which has just now come over from the Senate, Senate 3297.

The SPEAKER. Does the Chair understand that this is a Senate bill, and that a similar House bill has been favorably reported by the committee?

Mr. DENISON. Yes.

The SPEAKER. The Clerk will report the title of the bill. The Clerk read as follows:

A bill (S. 3297) to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.

Mr. SNELL. Mr. Speaker, I did not understand the request of the gentleman from Illinois.

The SPEAKER. The gentleman calls up a bill from the Speaker's table, a similar House bill having been favorably reported, and on the calendar.

Mr. SNELL. Why does the gentleman call it up to-day?

The SPEAKER. Inasmuch as this is Calendar Wednesday, the Chair thinks it will require unanimous consent to consider the bill to-day.

Mr. DENISON. Yes, Mr. Speaker; and I ask unanimous consent to do that.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of the bill. Is there objection?

Mr. O'CONNELL of New York. Mr. Speaker, reserving the right to object, the gentleman from Missouri [Mr. COCHRAN] is continually objecting to these bills. I ask to have this passed over.

Mr. KINCHELOE. Mr. Speaker, may I say to the gentleman from New York that this is a railroad bridge and is not within the class to which the gentleman from Missouri objects.

Mr. DENISON. If there is to be any controversy about it, I shall withdraw the request.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. DENISON. Yes.

Mr. ROMJUE. The gentleman from New York refers to the gentleman from Missouri [Mr. COCHRAN] objecting to bridge bills, but it is only to toll bridges that he objects.

Mr. DENISON. Yes; but this is Calendar Wednesday, and I do not want to call up anything that anybody has any objection to.

Mr. KINCHELOE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KINCHELOE. Where a Senate bill which has the status that this one has comes over, is there not a privilege in respect to its being called up?

The SPEAKER. Not on Calendar Wednesday, if it is objected to.

Mr. WINGO. I understood, Mr. Speaker, that there is no objection, but it is just an inquiry.

Mr. O'CONNELL of New York. Mr. Speaker, I withdraw my objection.

The SPEAKER. The Chair assumes, of course, that the gentleman from Illinois [Mr. DENISON] is acting by instruction of his committee?

Mr. DENISON. Yes.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry. Has Calendar Wednesday business been set aside by action of the House?

The SPEAKER. It has not.

Mr. SNELL. Mr. Speaker, it seems to me that we ought to be very careful about breaking over this rule not only for the protection of the Speaker but for everyone else. We ought not to take up bills at this time unless there is some definite, positive reason why those bills can not go over to another day.

Mr. DENISON. Mr. Speaker, before taking this action, I spoke to the chairman of the Committee on Banking and Currency, the gentleman from Pennsylvania [Mr. McFADDEN], and he told me that my request would not interfere with his plans, and the author of the bill has assured me that this is a very urgent matter. I have no interest in it myself. I withdraw my request.

Mr. SNELL. I make this suggestion as a protection to Calendar Wednesday business under the general rules and practice of the House. I am not going to object.

Mr. KINCHELOE. The year expires to-day, the 26th of February.

Mr. TILSON. Will any rights be lost by having the bill go over?

Mr. KINCHELOE. I do not think so.

The SPEAKER. The Chair is in some doubt as to whether it is his duty to recognize, first, those gentlemen who have obtained unanimous consent to address the House to-day, this being Calendar Wednesday, or to direct the call of committees. Calendar Wednesday business has not been formally dispensed with, either by unanimous consent or, as it could be now, by a two-thirds vote of the House. The present occupant of the Chair has made it a general practice not to recognize for unanimous consent a request to address the House on Calendar Wednesday. However, the consent has been given while some one else was temporarily in the chair. The Chair thinks that under the circumstances perhaps the best mode of procedure would be to recognize those gentlemen who have obtained unanimous consent to address the House, but the Chair states that he will not consider this as a precedent in the future.

Mr. WINGO. Mr. Speaker, before that is done, may I make this suggestion? I am anxious to hear these gentlemen, but a practical difficulty confronts us at the present time, and it shows the necessity for strict adherence to the rule. I have just been advised that there may be a controversy and an effort to kill by every parliamentary means one of the bills that the Banking and Currency Committee will bring up to-day. If gentlemen who have obtained unanimous consent to speak under special orders be permitted to use the time allotted to them and consume the greater part of the legislative day, then it would be easier by filibuster to destroy the bill and to destroy the very purpose of the Calendar Wednesday rule. I make this suggestion—I do not make the point of order—that the special orders to-day take their time on the banking and currency bills. I think we could very easily start, and the moment you call up one we could ask unanimous consent that the first special order, I think that of my friend from Nebraska [Mr. SEARS], be permitted to proceed for one hour, out of order, without regard to the banking and currency bill, so that the time will not be charged on that bill. I pledge for this side that we will try to take care of these gentlemen by doing that by unanimous con-

sent and still preserve the spirit as well as the letter of Calendar Wednesday.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. McFADDEN. It occurs to me that if this time would be consumed by the special orders the same condition would prevail as that which the gentleman from Arkansas has suggested about the filibuster.

Mr. WINGO. My idea is that we should proceed first with the gentleman from Nebraska [Mr. SEARS] and test out the feeling with reference to the bill. If we find that there will not be an effort to filibuster on that bill and other legislation on Calendar Wednesday, then we could let in, immediately after that had been tested out and the first bill passed, the other gentleman on the same kind of arrangement; and if anybody got shut out let it be some of these gentlemen who have to defer their speeches until to-morrow. I do not know who the other gentlemen are, other than my friend from Nebraska [Mr. SEARS].

Mr. SEARS. Mr. Speaker, I would not willingly put off my time to another date than to-day. I say that for a special reason. I want to get publicity to the people on this question.

Mr. WINGO. I agree with my friend. I will not agree to any kind of arrangement that would prevent the gentleman from going ahead to-day. Let the gentleman take one hour, and then we can take care of these other gentlemen during the day by special arrangement.

Mr. SNELL. If the gentleman is going to have an hour, why not let him go ahead now?

Mr. WINGO. That will be all right. I just made the suggestion.

The SPEAKER. The Chair desires to state that in recognizing the special orders in this instance he will not regard this as a precedent which should govern his ruling on the subject on some future occasion.

Mr. GARNER. Then if I understand the Speaker, in the future the Speaker would probably hold that in case he should be absent from the chair and some other Speaker pro tempore did not take care of Calendar Wednesday, as he so wisely does, that he would hold that the special order made by the House, in his absence, could be vacated by virtue of it being Calendar Wednesday.

The SPEAKER. The Chair does not go so far as to say that, but Calendar Wednesday from the beginning—and the Chair remembers when it was adopted—was for the purpose of preventing any other business being transacted on that day, leaving the day free for the call of committees and the rule is very strong on that subject. The rule provides—

On Wednesday of each week no business shall be in order except as provided by paragraph 4 of this rule unless the House by a two-thirds vote on motion to dispense therewith shall otherwise determine.

Now, the Chair is in some doubt, where unanimous consent is given to some Member to address the House on Calendar Wednesday, whether that abolishes Calendar Wednesday to the extent of that time or whether it abolishes altogether. The Chair wants to give some consideration to that point, and therefore the Chair desires to state that he will not feel that he will be bound by this precedent in the future.

Mr. TILSON. Mr. Speaker, I wish to say that at the time these requests were made it was the opinion of the chairman of the Committee on Banking and Currency that there would be very little business coming from that committee on to-day, and it was for the purpose of profitably occupying the day that these special orders were made. It was done in order to fill out the day rather than call the next committee and give that committee only a portion of the day. It appears now that there may be more business than the chairman originally contemplated. This slight miscalculation was the cause of the situation.

Mr. GARNER. Mr. Speaker, will the gentleman yield for a suggestion?

Mr. TILSON. Yes.

Mr. GARNER. It seems to me that we are not pressed for time, and we might well select some other day to give to the Committee on Banking and Currency a Calendar Wednesday. In that way we would give them a full Calendar Wednesday without interfering with to-day's program, which has been agreed to by unanimous consent.

Mr. WINGO. Mr. Speaker, may I make a suggestion that the gentleman from Connecticut should ask unanimous consent to the effect that if the Committee on Banking and Currency should fail to conclude its bills for consideration to-day it should have the call on next Calendar Wednesday?

Mr. TILSON. Mr. Speaker, I make this request: That if the business in order called up by the Committee on Banking and

Currency is not completed to-day, that committee shall have the next Calendar Wednesday.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that in the event that these two bills from the Committee on Banking and Currency are not completed during the day it may be in order to consider the bills, either one or both, on the next Calendar Wednesday.

Mr. PARKER. Would the Clerk then call up the Committee on Interstate and Foreign Commerce and give us then half a day? I want to be sure that we have two full days.

Mr. TILSON. I ask that the Committee on Banking and Currency shall have a full day. Let my request stand that, if necessary, the Committee on Banking and Currency shall have another Calendar Wednesday in order to finish the business in order to-day.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that in the event these two bills are not completed before adjournment to-day, on next Wednesday it shall be in order to consider one or both bills for the entire day. Is there objection?

There was no objection.

Mr. McFADDEN. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McFADDEN. Do I understand now that the arrangement is that these special preferential orders will all follow our committee?

The SPEAKER. The Chair will first recognize those gentlemen who were entitled to recognition under the special orders.

PERMISSION TO ADDRESS THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that on Friday next, after the reading of the Journal and other business on the Speaker's table is transacted, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SNELL. Reserving the right to object, Mr. Speaker, I will say for the information of the gentleman that the Committee on Rules this morning reported out a resolution giving the balance of Friday and all of Saturday to the Committee on the Merchant Marine and Fisheries to call up such bills as they have on the calendar.

As there are already two hours of special orders for Friday, I would suggest that the gentleman ask for time some day next week.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for permission to address the House for 15 minutes on next Tuesday.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that on next Tuesday, after the disposition of matters on the Speaker's table, he may be permitted to address the House for 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Under the special order of the House, the Chair recognizes the gentleman from Nebraska [Mr. SEARS] for 60 minutes. [Applause.]

FLOOD CONTROL

Mr. SEARS. Mr. Speaker, ladies and gentlemen of the House, one of our great men said many years ago, "Come, let us reason together." Much later another said, "Lest we forget." I hope the relevancy of both of those thoughts will appear to the Members before I get through on a subject about which we are inclined to be emotional. At one moment it is the only thing in the daily papers. It takes the headlines; it is a subject of considerable conversation among all; it is the subject of oratory and the subject of demands on the Government. But it is soon forgotten.

I am one of those who believe that of the three departments of government the legislative should be dominant, and of the legislative that the House should be dominant. I believe that on all great questions of internal improvement and internal well-being the House is the one to initiate and lay down the steps that mark out the lines of policies and of action.

I want to talk to you about the question of run-off waters, because that takes in so many questions. It means that of floods and flood control; it means that of droughts and drought control, very largely; it means that of navigation, ample navigation; it means that of reforestation; it means that of profitable agriculture; and it means so much to the well-being of our country.

Just three years ago we had the greatest flood in history down the great valley between the Alleghenies and the Rockies. It was the greatest flood in the history of that valley since it was well populated. Millions of acres were deluged, hundreds of millions of dollars were washed away, and hundreds of lives were lost, because of the want of the saving of those run-off waters.

We had a loss here through drought that you people of the East never heard of, of a billion and a half; \$5 for every one that was lost down there in the center of the valley in the great floods of 1927.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. SEARS. Yes.

Mr. O'CONNOR of Oklahoma. And if under the gentleman's plan we could have kept that water out there, we would not have had the drought and they would not have had the flood?

Mr. SEARS. I think so, and I am sure of it. Now, the country, right after that, demanded that the flood waters be so controlled that these recurrent floods down through the center of the valley should cease and the people there should live without the fear of floods.

You all recall the long hearings before the Flood Control Committee, its report, and the adoption of at least a part of the Jadwin plan, which the people in that section of the country have now risen against, because they believe it is something that is not going to be of value to all of them but an absolute menace and the ruination of thousands of them. The question is now again before the Flood Control Committee. The chairman of that committee named a subcommittee to report upon reservoir control some six weeks ago. That subcommittee is made up of the gentleman from North Dakota [Mr. SINCCLAIR], the gentleman from Oklahoma [Mr. STONE], and myself. We worked on that question, I think, for a month or so, and we were unanimous in the report we have brought in.

Now, there is no way of getting a subcommittee report to the main committee and before the general membership of the House without some general statement being made to the House. I take it the great majority of the membership of this House is in the same position I was when I first came here, namely, without any special knowledge of run-off waters and what they mean.

So I have asked this time for the purpose of presenting to you the work of Mr. SINCCLAIR, Mr. STONE, and myself in the form of a speech, so that the membership of the House and the people of the country at large may be more fully advised in regard to this subject. I myself think it means more to the people than any internal improvement that has ever been before Congress since this country was organized. [Applause.] I myself think it means no floods; it means droughts largely ameliorated; it means permanent navigation on our inland waters and so much to the farmers.

You will notice as I go along that we have advocated that this new work be put in the hands of a Federal board of public works, the majority of which shall be civil engineers from civil life, with possibly two Army engineers. We came to the conclusion that during all of these 50 years and more that our Army engineers have been in charge of our Federal works they have never been close to the subjects of flood, droughts, power, irrigation, and agriculture. We think it has been the policy of the Congress that those questions should be correlated and considered together, but they have been ignored. So we concluded that the only way to have these questions promptly settled, and not disposed of after many, many years of long drawn out surveys and reports from one to another, was to establish a law whereby those questions can be taken care of promptly.

Allow me to read the report just as we prepared it, as I think it will be of value to those who have not given it close study and will not in any way hurt any of us.

Your subcommittee appointed to investigate and report on the subject of reservoirs as a means of control of the floods in the Mississippi River Basin and its tributaries has, in the limited time at its disposal, made a somewhat comprehensive study of the problem. It is the conclusion of the subcommittee that no plan of flood control can be successful and permanently effective without the use of reservoirs and that the future benefits that will accrue to the great basin will be of immeasurable value to the whole Nation.

The Mississippi River and its tributaries drain almost the total area of 31 States and a part of Canada. A flood plan that does not provide for the control of the surplus waters of the various streams in this great river system at or near the point of their origin can not adequately carry off a maximum flood that might occur in the future. As the territory becomes more settled and improved along the upper stretches of the various streams, the run-off of the surplus waters is greatly accelerated, the volume of water in the lower river is thus increased, and the capacity of the levees and other flood-control works taxed beyond their limit. Consequently the constant tendency for the future is for bigger and greater floods in the lower valley unless a plan for source stream storage and control is provided.

With the amount of work and money already expended upon the lower stretches of the Mississippi River, no one will contend that this phase of flood control should not be vigorously prosecuted to its com-

pletion. The levees should be brought up to the 1914 grade, strength, and measurements; bank protection and revetment work, with a view to permanent channel stabilization, should be continued. All of these works are necessary in the interests of an adequate and comprehensive scheme of flood control, the protection of life and property, and the promotion of uninterrupted interstate commerce.

It is conceded by the most eminent engineers that the final solution of the flood problem is at the source. The control of surplus run-off waters should begin at their origin and the entire flood problem be treated in a comprehensive whole valley plan of flood control.

A careful study of soils should be made by expert engineers and a complete and comprehensive educational campaign instituted to demonstrate the advantages of the storage of moisture in the soil.

Terracing of all sloping surfaces to prevent the rapid run-off of the excess precipitation should be demonstrated under careful engineering supervision in each district. This work should be constructed under supervision of expert soil engineers, but the actual construction should be done by landowners. Demonstration of this nature would educate the landowners in the value it would add to their lands by saving the rich surface soil and at the same time aid in the storage of moisture at its origin. All work of this nature would take care of the cultivated surfaces and prevent erosion and assist materially in stopping the rapid movement of the surplus water.

In the mountain sections and on the great range district special attention should be given with reference to overgrazing of the pasture lands, which destroys the grass and exposes the surface to the direct and rapid flow of surface waters, thus carrying off the topsoil and causing fertile grazing ranges to become barren and desolate waste lands. Special attention should be given to reforestation and a comprehensive plan should be adopted which will materially assist in preventing the loss of great areas in our western mountain and timber district, and also assist in flood prevention and the restoration of valuable pasture lands.

A special branch under the board of public works should be placed in charge of competent engineers to carefully consider plans and specifications submitted by landowners, municipalities, or private corporations for the construction of any small reservoirs for the purpose of catching the run-off waters and impounding them at their origin and assist in flood control.

We estimate that from 25,000,000 to 50,000,000 acre-feet of water may be conserved throughout the valley by cooperation of the board with landowners.

In addition, however, and of paramount assistance in a full, rounded plan of flood control is the necessity for the use of reservoirs as a practical means of both drought and flood prevention. This should be done as near where the water originates as possible.

Your subcommittee, while not pretending to be engineers in any manner, still for a number of years have been students of the subject of flood and drought control. We have had practical experience with reference to each. We have had the benefit of listening to learned engineers while these subjects were being discussed, and most of the tangents relating thereto we believe are fairly within the scope of the understanding of practical men.

The flood waters originate, as a rule, in the north of the valley lying between the Alleghenies and the Rocky Mountains and concentrate at the south and near the center of it. The run-off waters are from New York State to Montana and from Canada to their final resting place in the Gulf of Mexico. These waters annually cause immense damage in their onward course to the Gulf, and in some years much greater damage than others.

The cities of Pittsburgh, New Orleans, and Kansas City, as well as Little Rock, are always in great danger when excessive floods are on, as well as many minor municipalities. All swollen streams cause damage to farm lands and stock and cause immense amounts of soil to be carried into and congest the lower stream beds.

We believe it is not only possible but practical to so take charge of run-off waters that they will be a blessing to our entire people.

We are satisfied that no more water falls in any county of the valley than is needed that year for agriculture, for usually flood periods are followed by times of drought.

We are satisfied that naturally we have the greatest system of water courses in the world, if the run-off waters were properly conserved, that any nation would have, or that we could desire as a people, all that is needed is a saving of the run-off waters during the flood period and a running of the waters to the streams when the low-water period arrives.

It has been the policy of Congress for many years to consider the subjects of flood control, navigation, irrigation, and the production of power as correlated. Yet our Army engineers have absolutely neglected this policy of Congress heretofore. Recently, however, they have given out the statement that they intend to commence an intensive study of holding back and using the waters, apparently getting themselves somewhat in harmony with the declared policy of Congress of many years' standing.

There should be no great droughts because of saving and using the waters. There should be no lack of constant water for our navigable rivers. There should be an abundance of cheap power for all our people. We believe that it is a crime against our national well-being to discharge this great national asset, our run-off waters, into the Gulf without practical uses being made of them. Untrammelled, they are wild, excessive forces of nature causing destruction to life and property. Harnessed and controlled, they will be of incalculable benefit to all succeeding generations.

There is but one flood-control plan that has ever been devised whereby floods can be averted, and that is by way of reservoiring the minor-flood areas. In our opinion reservoir control should be applied to the Cumberland, Tennessee, Ohio, upper Mississippi, Missouri, Arkansas, Red, and White Rivers and their tributaries wherever practical sites for reservoirs are found. By so doing we believe that the entire valley will be absolutely safe from floods except in minor instances.

Mr. COX. Will the gentleman yield for a question?

Mr. SEARS. Yes.

Mr. COX. I happen to be a member of the committee of which the gentleman is an influential member, and I know the gentleman is largely responsible for the agitation of the thought of flood control by reservoirs. The gentleman is not contending, however, that flood waters could be controlled by the adoption of the reservoir system alone. If I understand the gentleman, he is contending that there should be a combination?

Mr. SEARS. I would say a combination, and I may say it is possible to absolutely control everything but very minor floods, except a cloudburst in some particular locality.

Mr. COX. The gentleman, as I understand, has emphasized and intends to emphasize now that control through a system of reservoirs would create the possibility of a return to the Government for the expenditures made.

Mr. SEARS. I think two-thirds of it would be reimbursed.

Mr. COX. Of course the control of floods is the primary purpose, but still control by reservoirs would create power possibilities and also the possibility of using the run-off waters for irrigation purposes.

Mr. SEARS. And perfect navigation.

Mr. COX. Yes; I understand. It would serve a threefold purpose.

Mr. O'CONNOR of Louisiana. Will the gentleman yield?

Mr. SEARS. I yield.

Mr. O'CONNOR of Louisiana. Like the gentleman from Nebraska, I, too, have been interested in flood-control problems and in the numerous bills that have been brought before the House during the time I have been a Member looking to a solution of the problem. I have introduced several bills along the lines of the old Newlands bill, and that is practically in line, I believe, with the gentleman's thought as he is expressing it here to-day.

Mr. SEARS. Yes.

Mr. O'CONNOR of Louisiana. In regard to reservoirs, as I have always understood it, the Great Lakes are the reservoirs for the St. Lawrence. The St. Lawrence discharges about one-sixth of the volume that the Mississippi River discharges annually. Now, where would the gentleman place the reservoirs that would act in the same way toward the Mississippi that the Great Lakes act toward the St. Lawrence; what would be their area, what would be their volume, and where would they be placed? This thought has been in the minds of a great many people who have never looked upon the reservoir proposition favorably.

Mr. SEARS. I think I will treat of that before I get through; if not, I will refer to it again.

Mr. GREEN. Will the gentleman yield?

Mr. SEARS. Yes; but this must be the last one.

Mr. GREEN. The gentleman has made a considerable study of our inland waterways and of flood control. I would like to know how the gentleman feels toward the possible connection of the last existing link in the intracoastal canal system extending from Boston to the Rio Grande. The gentleman realizes that we now have pending a survey of what is known as the across-Florida canal. We hope for a report from the engineers in the very near future and we hope it will be favorable. I would like to know how the gentleman feels about the feasibility and the reasons for the construction of this canal across Florida, if he would not mind expressing his opinion.

Mr. SEARS. The objection is sustained that the question is not germane to the general subject. [Laughter.] However, I am in favor of the canal. [Laughter and applause.]

As an illustration, the works near Dayton, Ohio, absolutely guarantee safety to that city by reason of the Miami Dam. The Pathfinder and Guernsey Dams on the Platte River have reduced the flood peak 45 per cent of its flow and increased the low-water period flow 47 per cent, insuring that valley, when only partially reservoired, from damage by floods. There is one site near Bismarck, N. Dak., where 15,000,000

acre-feet of water may be impounded at flood-peak time and returned again in low-water period at the rate of 10,000 cubic feet per second, thereby insuring that greatest of all rivers a stabilized flow and an absolute permanency in its course. This also would prevent, as we believe, the siltage of 400,000,000 square yards of rich soil from entering the Mississippi near St. Louis. It would also reduce the flood peak at Cairo, Ill., a number of feet.

The reservoiring that has been studied on the Alleghenies near Pittsburgh will not only save that city from flood danger but reduce the Cairo flood peak a number of feet. We believe that by applying the reservoir system to the different rivers named, and their tributaries, we can reduce the flood peak of the waters at Cairo upwards of 20 feet and give the river absolute capacity to carry its current free from overflow to where it meets the waters of the Red and Arkansas.

A great deal of study has been made engineeringly by Oklahoma on the North and South Canadian Rivers, and in a section adjacent to the Arkansas and Red. We believe it is practical to say that the waters of those rivers can be reservoired so as to give absolute freedom from fear of floods to the people of that great section.

Internal improvements should be carried on first, all things being equal, where they are the most needed. And when undertaken they should be carried on as expeditiously as is practical from an engineering standpoint. Let us illustrate: We lately celebrated the opening of the Ohio River system of lockage. About 50 locks in about 50 years! So great a delay that the money expended at 2 per cent interest would have amounted to more than the whole appropriation. To a practical nation this delay is disgraceful. If the demand for the improvement is so great by the generation in which the work is started as to cause the work to be commenced, then the grandchildren of that generation should not be the first to enjoy the fruitage of the effort.

Now, as to the Jadwin plan: It is not intended as a flood-control proposition. It is intended to continue floods. Not to take possession of the waters in the minor flood areas where they originate and turn them to beneficial uses, to real flood prevention, to real navigation perfection, to real farm and city uses, but on the contrary to dedicate their forces to the destruction of property and life.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. SEARS. Certainly.

Mr. O'CONNOR of Oklahoma. Your objection to the Jadwin plan is that they do not know it is a flood until they get to the Mississippi; that they ought to go out to the tributaries where floods are born and exercise some birth control?

Mr. SEARS. It is a tributary question.

The report continues:

It was popular some years ago to demand that the water be kept back from the lower portion of the valley, but for some strange reason that demand has ceased. But the Jadwin and all kindred plans mean that Pittsburgh shall still be endangered, and Kansas City and Little Rock and Cairo and a hundred other municipalities likewise. That five or six million acres of land in the lower central part of the valley that should be of the highest agricultural value shall be devoted forever to swampland. That a dozen cities and villages shall cease to exist, that many thousand people shall be driven from their homes. If this method should be carried into its ultimate effect, it would be the most disgraceful policy ever adopted in the history of the Nation.

Let us consider that great body of land lying east of the Rocky Mountains to the great river. Floods are bad enough in that region, but droughts in money value are much worse. The year of the great flood, three years ago, about \$300,000,000 of property was destroyed, together with many lives, because we had not reservoired our minor flood areas prior to that time. But the year before, through that stretch of country of wonderful richness of soil, for the want of the saving grace of water that had not been saved, there was a loss by way of drought of at least a billion and a half dollars, all in one year, and it never reached the headlines of the great daily papers.

Mr. LETTS. Will the gentleman yield?

Mr. SEARS. I yield.

Mr. LETTS. Has the gentleman estimated what the loss is in different years?

Mr. SEARS. An estimate in Nebraska by the chamber of commerce puts the loss at \$350,000,000, and the Governor of Kansas told me that it was all of that amount in his State.

Mr. SINCLAIR. Will the gentleman yield?

Mr. SEARS. I will.

Mr. SINCLAIR. I think the loss in all of the States has been estimated something like a billion and a half dollars.

Mr. SLOAN. Will the gentleman yield?

Mr. SEARS. Certainly.

Mr. SLOAN. Has the gentleman any definite figures showing the amount of money that has been expended by the Government and the States in the main channels of the Ohio, Mississippi, and Missouri, running to the Gulf, and which has afforded no real substantial defense to floods?

Mr. SEARS. No; I have not got those figures, but it runs into hundreds of millions of dollars.

The report continues:

It is the belief of your committee that if the waters of the Blue, Republican, Platte, and Kaw Rivers, and the Arkansas, Red, and White Rivers, and their minor tributaries, had been reservoired, such a great drought would not have spread over that wonderfully fair area. Throughout the western portion of that great strip east of the Rocky Mountains, each year there is a loss of croppage through drought. The harvesting of small grain commences first with the south and then proceeds rapidly north as far as through the Dakotas. The harvest leaves a hot stubble and is a prolific cause of hot winds that devastate Oklahoma, Kansas, Colorado, Wyoming, Nebraska, North and South Dakota.

If the run-off water in the region were conserved we believe that clovers, alfalfas, and green vegetation would save this stretch of country from hot winds that work so much damage to crops. It was the run-off waters from the Republican and Blue, entering the swollen waters of the Kaw, then poured into the Missouri, that caused the immense destruction at Kansas City in 1903. It is claimed that \$70,000,000 worth of property was destroyed and many lives taken in that flood. There are reservoir sites on the Republican and Blue that would take up as much of their waters as is desired and prevent all future floods on these rivers and on the Kaw.

We desire to call the attention of the committee to the great benefits that would come to the country at large should these waters be reservoired throughout the areas of the valley in effecting increased rainfall and the growth of vegetation, including reforestation.

The uniform supply of waters to our rivers afforded by reservoiring our minor flood areas would give us a national system of inland-water navigation that would be of the greatest value. It would establish the great river known as the Missouri and Mississippi as the greatest inland waterway of the world. It would do away with all dredging of the Mississippi and Missouri and thereby save millions of dollars annually. It would save much of the reversion work. But above all it would provide for a great inland navigable river in the middle of the valley from Montana to the Gulf. No part of the country has suffered from excessive railroad rates as has the Northwest section. Freight rates there are the highest of the whole country. The farmer's grain would bring him from 5 to 7 cents per bushel more, where the crop is measured by billions of bushels, should that river be perfected as to its navigation. That is the most practical farm relief that could be given to the people of that section. The railroads for 50 years have successfully prevented the improvement of the Missouri River for navigation. Having succeeded in that, it was found easy to have the rates maintained by the Interstate Commerce Commission, because, forsooth, that section was without navigation. Common justice requires that the flood waters of the Missouri be conserved so as to benefit all of the people by a splendid navigable waterway.

We feel that the Board of Army Engineers is without sufficient engineering skill and experience to cope with this great civil-engineering problem. The hearings before the Flood Control Committee of last year amply disclose either that the engineering knowledge is lacking or else that the heart of the Chief of Engineers was not in accord with the policy of Congress in considering flood control, irrigation, navigation, and power as important elements or parts of one great question, and that question the utilization of our run-off waters to their uttermost for the benefit of the people wherever possible.

Before this committee it was admitted by General Jadwin that the engineers' plan of flood control for 50 years had been futile and unavailing; that new plans would have to be thought out and applied. It was manifest to the whole committee that reservoiring the minor flood areas and thereby preventing the congestion of great flood waters was new to him. Although he admitted that it was the ideal plan, we, your subcommittee, believe it to be the only efficient plan for the control of floods.

No engineer has been before the Flood Control Committee for this year or two years ago but that agreed that owing to the draining of swamps, the straightening of creeks and rivers, the building of sewers and hard roads, that the waters are continually being congested in the center at a much more rapid rate than ever before.

Mr. O'CONNOR of Oklahoma. Is not the main vice of the Jadwin levee plan that it divorces completely the flood control from navigation, instead of wedding the two movements together so as to bring forth prolific issue of prosperity to the whole region?

Mr. SEARS. Apparently General Jadwin has not given consideration to the storage of water to use for navigation, agricultural purposes, or power.

Mr. COX. Will the gentleman yield?

Mr. SEARS. I yield.

Mr. COX. The trouble with the Jadwin plan is, the gentleman thinks, that it was predicated on incomplete studies of the subject. What the gentleman insists upon now is a full, com-

plete, and intensive study on the entire subject, the collection of full and accurate data, and the enactment of a complete, comprehensive flood-control plan?

Mr. SEARS. Let me interject a statement. We go farther than that. That would mean years and years of study before the report was made and before Congress could act.

As we suggest here, this board of public works can take up a site where it will have a beneficial influence on flood control, get their data, do their surveying, and go immediately to the President of the United States, and on his giving them an order they can proceed at once.

Mr. COX. Would that be sound? In other words, the gentleman's indictment of the Jadwin plans is that they are not complete and comprehensive.

Mr. SEARS. My indictment of the Jadwin plan is that they were 50 years in completing the Ohio locks when during 10 years we constructed the Panama Canal and that complete project. If the Ohio locks were something valuable enough to proceed with and commence, they should have been completed in 10 years at the furthest.

Mr. COX. But could it be foretold as to what influence the construction of any particular reservoir might have until a complete study had been conducted?

Mr. SEARS. Oh, yes.

Mr. COX. Enabling the agency carrying on the study to determine as to just what influence it would have.

Mr. SEARS. Oh, yes. Suppose the gentleman were President of the United States and this law were in effect—and I hope he will be.

Mr. COX. I thank the gentleman.

Mr. SEARS. Changing the gentleman's politics somewhat for the purpose of getting there—and if this board of engineers were to come to him and to say, "We have been to the site, and here is all of our data"—

Mr. COX. Yes; but the board has not been getting the full data.

Mr. SEARS. Wait a minute. "Here is all of our data and figures; we have surveyed it carefully; we can put up that dam for so much, and the result will be the impounding of 15,000,000 acre-feet of water. We know that as engineers. We can not measure that until after it is done, but we know it as engineers; and we know that the river will stay right there; and we know that it will stop the silt into the Missouri; and we know that when those waters get to Cairo it will have the influence of cutting down the flood peak at Cairo 5 or 6 feet; and, Mr. President, we advise this; we recommend it; and here are all of our reasons." I know what the gentleman would do as President of the United States. He would give them an order to proceed with that work.

Mr. COX. I am not sure.

Mr. SEARS. Oh, yes.

Mr. COX. The gentleman would not advocate the execution of any isolated project without relating it and connecting it up in some way with the general flood-control plan, would he?

Mr. SEARS. Here is the flood-control plan that has been adopted.

Mr. COX. I understand; but you were advocating a modification of that plan in the interest of control.

Mr. SEARS. Absolutely; as an original act.

Mr. COX. Into which reservoirs must be worked.

Mr. SEARS. Oh, no.

Mr. COX. Wait. I think I agree with the gentleman.

Mr. SEARS. I do not work it in there at all. I establish an independent board with independent powers to proceed and where they have investigated the thing they can put a reservoir up that will have a beneficial influence on flood control, and they can put their data before the President and get an order to proceed with the work.

Mr. COX. Just one more question. The gentleman made some observation with reference to the time it would take the engineers of the War Department to make a complete study of flood control. The gentleman does not mean that there is anything before the committee that would indicate that it would take more than 12 months' or 18 months' time to complete this study?

Mr. SEARS. I am talking about what we know they have been doing. I know that General Jadwin was unfair to the reservoir proposition, and the gentleman knows that.

Mr. COX. Yes. I am not taking exception to anything the gentleman has said with reference to General Jadwin and his set-up, over which he presided. I think the gentleman does not intend to broaden that criticism so as to include the engineers of the War Department under the headship of General Brown.

Mr. SEARS. We have great hopes of General Brown.

Mr. COX. I agree with the gentleman that there is reason to hope for more sympathy from the War Department engineers.

Mr. SEARS. Oh, yes.

Mr. SINCLAIR. Mr. Speaker, will the gentleman yield?

Mr. SEARS. Yes.

Mr. SINCLAIR. With reference to the replies made to the gentleman from Georgia [Mr. Cox] I want to say that of course the subcommittee of which the gentleman from Nebraska has been the chairman, are in accord with reference to the completion of certain approved works on the lower Mississippi River. There has been no desire on the part of the committee to, in any way, curtail or curb the completion of those works that have already been improved.

Mr. COX. I do not mean to imply, by anything I said, that there was the slightest unfriendliness on the part of the gentleman and my friend from Nebraska.

Mr. SINCLAIR. No; we are in perfect accord on this. In addition, however, we have felt that there has been sufficient information and sufficient surveys made with reference to the floods being controlled, the control of the headwaters, to enable us to go ahead with, you might say, a project almost, at least make the surveys and complete a project in a short time, within a year.

Mr. COX. As to the point of legislating on the subject, I am seriously in doubt. However, I am in sympathy with the effort to broaden the investigation.

Mr. SINCLAIR. Let me remind the gentleman that a survey has been made by the city of Pittsburgh which is conclusive so far as the safety of that city is concerned and the reduction of flood currents at the city of Pittsburgh for more than 10 feet.

Mr. GARBER of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. SEARS. Yes.

Mr. GARBER of Oklahoma. I want to commend the subcommittee for its elucidating report in general. As I recall the evidence adduced before the committee a year ago, it did not include a survey made by the interstate commission, representing the eight States composing the flood-water basins of the Red River and the Arkansas River, accurate surveys, showing that by 250 reservoirs the flood waters of that great basin, which composed over one-half of the flood waters of the Mississippi River in 1927, could be withheld and controlled.

Mr. SEARS. Oh, yes, in small reservoirs.

Mr. GARBER of Oklahoma. And these reservoirs are widely distributed to carry out the purposes stated by the gentleman in his report?

Mr. SEARS. Yes.

Mr. GARBER of Oklahoma. Just one other question. In the act of 1928 Congress appropriated some \$5,000,000 for preliminary surveys to verify the surveys and ascertain the problems and their solution. Has the gentleman representing this committee any information as to the progress of the work made in that regard by the War Department?

Mr. SEARS. I think they are working very rapidly.

Mr. GARBER of Oklahoma. They are?

Mr. SEARS. Yes.

Mr. GARBER of Oklahoma. That is very encouraging indeed, because heretofore when we put anything under the War Department it went to sleep.

Mr. SEARS. We have prepared a bill along the line of reservoiring the minor flood areas of the great valley of the Mississippi, which we have introduced and had referred to the committee.

Our reasons for preparing our bill in the wording it has are as follows:

We are satisfied there is only one real plan of flood control. And that is to store the surplus waters—that is, the run-off waters—in the ground and in reservoirs. We believe that there is no more water falls on any county than it needs that year for practical use. Of course, this does not mean certain mountainous counties. We are satisfied that our run-off waters are our greatest national asset yet remaining and should be conserved to the uttermost. We are satisfied that with a reservoiring of probably 60,000,000 acre-feet of water, all fear of greater floods will be gone forever. That with reservoiring to that extent siltage in the rivers will cease, the watercourses attain greater stability and especially on the Missouri, the great silt-bearing stream, a constant deepening process will go on and be accompanied by greater capacity to carry off water within banks.

We are satisfied that the greatest need, economically, to our country at this time is the improvement of our waterway system by way of improved rivers. This can only be brought about by the conservation and holding back of our run-off waters. Reservoirs and soil conservation of waters will take

possession of the run-off and return the waters to the streams at what is known as the low-water period, giving us a constant flowage of our water courses, with continuous navigation. We can not have satisfactory navigation with high water in the flood peak times and little or no water supply later on. Each year we lose many millions of dollars by drought throughout the great valley. Reservoirs and soil storage we are satisfied will do much to alleviate this condition. With constant flowing of water in our streams reforestation will come naturally. Bird, wild game, and fish life will be improved a thousandfold.

Without the conservation of water by reason of reservoiring the minor flood areas and soil storage the floods of the valley will increase as time goes by, lands will be devastated, cities and villages inundated, with loss of life and property, and vast sums of money expended to throw this wonderful resource out into the Gulf as a useless thing. We will be without internal navigation and dedicate our agriculture permanently to a condition of down grade. Bird, fish, and game life will follow suit, reforestation will be an artificial process, if at all. It is a question of being on the upgrade or with our eyes wide open choosing the down slide.

The reason for establishing the Federal board of public works, as suggested in our bill, is that in our opinion after more than half a century of being in charge of the general questions of our run-off waters, apparently our Army engineers have never made a study of them from the standpoint of their conservation, their commercial and economical worth, nor their moral value to the people. We do not believe there is, or at least has been, a capacity and inclination to use these great resources for the national welfare. It was only as a last resort that we came to the conclusion that we must trust the tremendously important question, that was submitted to us for our report and recommendations, to other hands.

At all times and occasions the shortsightedness and hostility of our Army engineers have prevented these great questions from being solved in the interest of the people. The floods are becoming greater and the work as lined out by General Jadwin and his predecessors has but added to the burden of the problem. Apparently in the past, our Army engineers have only thought how to continue the floods, how to devastate valuable lands, how to ruin prosperous communities, how to continue the droughts and how to prevent our having the most wonderful system of river navigation known to the world. If great selfish interests had been at work on a well-organized plan to prevent progress and the benefits of water conservation to the Nation, they could not have had better servants than our Army engineers have been down to the time that General Jadwin retired from office. We believe that this great branch of the public service should be given to such a Federal board as we provide for in our bill. There should be several changes that the committee will desire to make, one of which we will suggest at this time, that a provision be inserted, looking to the providing by departments, of information, data, map help, and otherwise, when required.

It is admitted on all sides that reservoir control of the minor flood areas is the ideal solution of the problem raised by the yearly flood conditions. The only objection that is voiced at any time or from anywhere is that of the supposed great cost of such control. But not one person who has made objection has ever been a student of the problem or has brought anything but glittering suppositions to fortify his opposition. Some very respectable engineers and many fairly intelligent laymen have given much thought, not only to the question of the value of reservoir control of floods, but also as to the probable cost of reservoiring. Not one has believed it would cost anything like the carrying out of the so-called Jadwin plan. Your committee who sign this report, believe that the \$750,000,000, authorized by our bill will be ample for all of the intended purposes, and that much of that will be reimbursed to the Government.

At a time when they were interested in keeping the prospective cost of their proposed plan as low as possible, about two years ago, when the Jadwin plan, so called, was first launched President Coolidge and General Jadwin gave out a statement that their prospective works would cost a billion and a half of dollars. Anyone who will give but a superficial investigation to the subject must conclude that their cost will amount to much more than that, and when completed the costs of repair and maintenance will amount to many millions of dollars more each year. No benefits whatever will accrue, no floods controlled, no navigation benefited, no agriculture improved, no benefits anywhere. Only a great wastage of the public money and great distress fastened onto the people of the lower valley as a permanent condition.

We believe that the reservoiring of 60,000,000 acre-feet of water by the Government will guarantee the benefits referred to in

this report. For to that will be added the increased capacity of rivers to carry off flood waters when silting has largely ceased, which we estimate to be at least 10,000,000 acre-feet. And 20,000,000 acre-feet by farm conservation of water throughout the valley, if we work with those of agriculture to that end. The 60,000,000 acre-feet that we recommend to be reservoirized can be accounted for by so taking up from the Tennessee and Cumberland and their tributaries 15,000,000 acre-feet; Allegheny and Ohio and tributaries, 10,000,000 acre-feet; upper Mississippi-Wabash district, 10,000,000 acre-feet; and Missouri and tributaries, 18,000,000 acre-feet, which we estimate will reduce the Cairo flood peak at least 20 feet. And to this we add in the Arkansas, Red River, White, and St. Francis districts 15,000,000 acre-feet, which we believe can all be perfected at a cost for reservoirizing of not to exceed \$750,000,000, known to the proposed authorization.

This reservoirizing of 68,000,000 feet of run-off water, when added to the 30,000,000 feet believed sure to follow as a saving by farm cooperation and increased river capacity if river silting should cease, would account for practically 100,000,000 acre-feet of water being withheld from the lower Mississippi and would guarantee against great floods forever, and the enumerated benefits would all be free to the people as a by-product of common-sense business. The great flood of 1927 did not send into the flooded districts more than 80,000,000 acre-feet of water beyond the capacity of the river beds to safely carry to the Gulf.

We believe our proposal is the only plan that will supply water during the low-water periods. That is the only one that will safeguard our agriculture and reforest our river banks and temper the hot winds from the south. It is the only one that will supply ample electrical power to our people. Furthermore, we believe that the entire valley as to its minor flood areas can be reservoirized at much less expense, at much less than half the cost of the Jadwin or kindred plans, and that probably two-thirds the cost of the reservoirs will be reimbursed to the Government.

The reservoirizing of the minor flood areas of the valley would be the greatest beneficial internal improvement ever undertaken by our Government. The improvement of the great river alone would benefit probably at least half of our people. Great works are undertaken, and great expenses entailed at Government charge for every other section of the country, and some of them with very little consideration. How does this look: Five hundred million to build ships for ocean traffic, 25 per cent of construction price to be furnished by the private owners and 75 per cent by the Federal Treasury. The next 20 years will mark the closing of a 30-year period where the Federal Treasury shall have given in ornamentation and cash donations at least a billion dollars to the city of Washington. The Boulder Dam will probably cost at least \$600,000,000. The Panama Canal, which has injured the great Northwest so much, \$400,000,000. Muscle Shoals probably \$200,000,000. Nicaragua Canal, prospectively, as much as the Panama. The Ohio River, with its system of locks and 50 years in building, \$100,000,000. And the list can be greatly extended. All of the above-named enterprises together would not be of as much value to the United States as the control of its run-off waters by reservoirizing its minor flood areas and making efficient use of those waters. If anyone thinks to the contrary, your subcommittee will be glad to have such ones list the benefits from all of those enterprises and we will gladly undertake a comparison of such work by a detailed statement of the benefits to be derived from reservoirizing the minor flood areas of the great valley.

Therefore we recommend that the bill that has been prepared looking to the reservoirizing of all minor flood areas of the valley be reported out and passed, and that the work be placed in the hands of competent engineers apart from the Board of Army Engineers, and that at least a majority of those so in charge shall be from civil life.

The responsibility is on Congress and can not be shifted to Army engineers or elsewhere, to select the flood-control plan or whatever plan is selected with reference to our run-off waters. It is up to Congress to select and adopt real flood control or to adopt a plan to expend money with much harm and little benefit.

The bill we have presented and here report on is intended to be a complete act in itself, and under which the work could proceed rapidly, taking notice that we have all of the general knowledge as Congressmen needed to adopt such a policy without waiting for the advice or surveys of engineers or other information than that which we now have. That is, by adopting this policy we only instruct our employees to construct the several reservoirs where engineering skill and science approve in the selection of the site of the dam or reservoir, and that there will be a substantial influence for good by reason of such

construction on flood control. As soon as such report is made to the President he can order the construction of any one of the meditated reservoirs. We believe this is the only manner in which permanent relief from floods can be commenced; otherwise, it means years of surveying and checking and studies. Our common sense tells us that every material amount of water withdrawn from the floods reduces the flood volume that much. We do not need any engineering advice, I take it, to come to that conclusion.

Mr. WILLIAM E. HULL. Mr. Speaker, will the gentleman yield for a question?

Mr. SEARS. I will for a very short one.

Mr. WILLIAM E. HULL. Where would the reservoir be in the Arkansas Basin?

Mr. SEARS. That would be where they found it safe.

The gentleman heard the statement of the gentleman from Oklahoma [Mr. GARBER] did he not?

Mr. WILLIAM E. HULL. Yes. The reason I asked that question was that it came down within the vicinity of 200 miles of the flood. If you did not have the reservoir in that section, it would not be of service.

Mr. SEARS. The reservoirs are entirely tributary to the trouble.

Mr. WILSON. Mr. Speaker, will the gentleman yield there?

Mr. SEARS. Yes.

Mr. WILSON. The report of the reservoir board shows that the site of that flood was in the alluvial valley of the Arkansas. That included the 1927 flood. The others came largely in the heavy rainfall in the tributaries. That is what brought about the great flood. I wish to say, however, that the Chief of Engineers, General Brown, in making his report on that particular territory, especially the Arkansas and the Tennessee, is making a most complete survey for every purpose, and I hope it will conform very closely to the statement of the gentleman that we should use reservoirs in flood control.

Mr. SEARS. In that overflow there were not over 80,000,000 feet of water more than could be carried safely to the Gulf. It is estimated that in 1912 and 1913 there were 70,000,000 feet of water more than could be safely conducted to the Gulf. I give them 10,000,000 acre-feet more and make it 80,000,000 feet for 1927.

That was an awful lot of water. One dam at Bismarck itself could take 15,000,000 feet. At Coal Creek, with an expenditure of \$33,000,000, you would have ten or twelve million feet reservoirized. I know that \$750,000,000 is more than is necessary, and I am satisfied that more than two-thirds of that will be reimbursed to the Government.

Mr. GARBER of Oklahoma. Right there in that connection, regarding the cost, did not the report of the commission include these surveys and the reservoirs and show that the cost would be \$360 per square mile, which would have taken care of one-half of the flood waters in 1927?

Mr. SEARS. Yes.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. SEARS. Yes.

Mr. HASTINGS. Will the gentleman permit me to say that I think the question of the improvement of the waterways is the greatest question before the American people to-day? I want to ask the gentleman this question: As I understand, the gentleman is commenting now upon the report of the subcommittee, which he as chairman has made to the general committee?

Mr. SEARS. Yes.

Mr. HASTINGS. Has the gentleman had time yet to give study to the report of the commission?

Mr. SEARS. No.

Mr. HASTINGS. So that the gentleman can not give us any information as to what will probably be the report of the full committee or what legislation will be reported in the near future for our consideration?

Mr. SEARS. No. There has never been such a moment in our national history as propitious as is the present in which to inaugurate a system of internal improvements such as is meditated by the bill that your subcommittee has presented. We have lately experienced our greatest Mississippi Valley flood. All of the country's voices demanded that adequate steps be taken to prevent a recurrence of flood disaster. The remedies provided for two years ago are known by all to be inadequate and monstrous, and the people of the lower valley are largely in arms because of the disaster and ruin that is threatened them by the measure of two years ago.

The whole Nation is waiting for the legislative branch of Government to inaugurate adequate plans that will do away with floods and droughts and that will bring us navigation and power. The Nation is crying for improved waterways, for the reforestation of our streams, for the utilization of our rainfall to the greatest advantage.

President Hoover while Secretary of Commerce stirred the people to enthusiasm and hope along these lines. Our Secretary of War is like-minded. If the legislative branch sees its opportunity, it will proceed to that great relief without delay and be remembered for all time because of having inaugurated a rational system of conservation with wonderful benefits. Shall we take the President at his word?

Over and beyond the benefits to the Nation at large that would accrue from an early completion of the reservoir system being applied to the minor flood areas of the valley there is another reason that will appeal to all men as to why the works meditated by the bill in question should be commenced at once. And that is the employment that would immediately be given to labor. Labor and agriculture are the first to suffer in times of financial depression. President Hoover when Secretary of Commerce drew attention to the fact that such great public works would take up the slack of employment. Men by the many thousands would be given employment, which would continue for a number of years, that now are idle. It is a crime for a great Nation like ours, with its great need of public works, not to inaugurate them, of course, when they are needed, but especially in times of depression. It is criminal not to provide employment but to let men, women, and children remain idle and become hungry and lose their savings and their homes.

The promotion of all great public works needed for the welfare of the people is an absolute insurance against all future evils resultant from unemployment.

[Applause.]

Under leave to extend, there is hereto added the bill known as H. R. 9376, prepared by the subcommittee and referred to in the above remarks.

A bill to take possession of the run-off or flood waters of the valley between the Allegheny and the Rocky Mountain systems, including all of the watersheds of said systems whose waters drain into said valley, by means of reservoirs, dams, and soil storage; for the purpose of controlling the supplying of water to the navigable rivers thereof at low-water seasons; for reforesting lands adjacent to the streams and rivers of said district; for the promotion of fish culture and that of wild animal and bird life; for the aiding of agriculture and the tempering of hot winds that pass over the several States of said district, and the furnishing of added waters for municipal uses, and the promotion of navigation; and for the creation of a Federal Board of Public Works to take charge of such contemplated internal improvements, and their construction

Be it enacted, etc., There is hereby created a board to be known as the Federal Board of Public Works. It shall consist of seven members, two of whom shall be of civil life and not of the engineering profession, and five shall be civil engineers, two of whom may be Army engineers. The terms of service of the members of said board shall be from one to seven years according to the order of their appointment and the one having the shortest term to serve shall be the chairman of said board, but on whose absence from meetings the next member present having the shortest term of service remaining shall act as chairman. The members of said board shall be appointed by the President of the United States, subject to confirmation by the Senate, and vacancies may be filled in like manner as provided for the original appointments. The salaries of members of the said board shall be \$15,000 per year each, and their actual necessary expenses while engaged in the business of the board away from the home office. The office of said board shall be in the city of St. Louis, in the State of Missouri. Said board shall name a secretary and such other office force as it shall deem necessary. Four members shall constitute a quorum, and a majority of said board may transact its business. Said board shall keep a record of its proceedings and transactions, an accurate account of all its expenses incurred, and shall make a report each year on the 1st day of December of its proceedings and transactions to the President of the United States and each House of Congress.

SEC. 2. It shall be the duty of said board to commence an intensive study of the different watersheds, streams, and rivers of the territory given to its jurisdiction, to the end that it may know where to construct reservoirs for the control of the waters thereof, and how to take advantage of the soils thereof for water-conservation purposes; and how to apply the impounded waters for the purposes of flood control, navigation, agriculture, power, and municipal uses.

SEC. 3. It shall be the duty of said board to construct dams and reservoirs at the most available proper places on the streams, rivers, and water courses of said valley lying between the Allegheny and Rocky Mountain systems, including therein all of the watersheds and water courses of said systems, for the purposes of controlling the flood waters thereof, and of aiding the navigable features of the rivers thereof, and of tempering the hot winds originating in and crossing the several States of the said district, to aid agriculture, to assist in the reforestation of streams and rivers, and to develop electrical power, and to assist in propagation of fish, bird, and animal life. Said board

may either engage in the construction of the works herein contemplated itself or contract with individuals, partnerships, or corporations, in its discretion, therefor. It shall be the duty of the board to disseminate information on the subject of terracing the soil to prevent erosions, and to conserve and hold water, and to demonstrate the same by special agents and to assist in the storage of water in the soils, and dams by landowners. And it may furnish one-half of the funds to make surveys and assist in the construction of dams and reservoirs to be erected by municipalities, districts, corporations, and individuals where such proposed construction shall be found to have a beneficial effect for the purpose of flood control and navigation.

SEC. 4. Said board is hereby granted corporate life, and for its purposes may sue and be sued, and exercise the right of eminent domain for and on behalf of the United States Government. For its purposes it may acquire land by negotiations or purchase, by eminent-domain proceedings, or by gift, and receive as well donations of money and property of other kinds. It may employ skilled and unskilled labor and the services of those of the learned professions, and may purchase all the materials, machinery, and transportation necessary for its purposes, and make and carry out all the necessary contracts in furtherance thereof, and may fix the compensation of all persons employed by it.

SEC. 5. It shall be the duty of said board, in the different ways at its discretion, to impound at least 60,000,000 acre-feet of water on the streams, rivers, and watersheds of said district so given to its control, wherever best in its opinion it will aid in the control of the flood waters of said district and be of aid to the navigable waters thereof and wherever the different purposes heretofore enumerated shall be best served.

SEC. 6. Whenever by reason of its studies said board shall conclude that a certain dam or reservoir or works of a certain character will have a beneficial effect with reference to purposes herein declared, by reason of impounding of flood or run-off waters as in this act is contemplated, then said board shall lay its plans, specifications, data, and reasons for so concluding before the President of the United States, and thereafter, should the same be approved by the President and notice given to said board to that effect, it shall then proceed and carry out the contemplated works in the designated instance as speedily as shall be found practicable.

SEC. 7. Upon the completion of internal improvement herein contemplated the said Board of Public Works shall have authority to control the waters impounded, and the reservoirs and dams, with the view of furthering the said benefits to the Nation. It shall report to Congress its plans for the disposal of water and power and carry out the directions given it in the future.

SEC. 8. There is hereby authorized to be appropriated from the Treasury of the United States for carrying out the terms, conditions, and requirements of the act, from money not otherwise appropriated, the sum of \$750,000,000.

ADDRESS OF GEN. FRANK T. HINES, DIRECTOR OF THE VETERANS' BUREAU

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by General Hines at Indianapolis last Saturday night. The SPEAKER pro tempore (Mr. MICHENER). Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, last Saturday night Gen. Frank T. Hines, Director of the Veterans' Bureau, delivered a notable address at a banquet given by the Indiana Veterans of Foreign Wars at Indianapolis, Ind. The event was in commemoration of Washington's Birthday, and General Hines was the guest of honor. He was given a splendid reception in true Hoosier style and he responded with a most interesting and informative discussion of the problems involved in the discharge of the Nation's obligations to the veterans, their widows, and dependents. His remarks are especially noteworthy at this time when Congress is about to take up important general legislation liberalizing the World War veterans' act. A high spot in his address was a recommendation that all veterans' relief agencies be consolidated.

General Hines cited the action of the Continental Congress in endeavoring to care for the veterans who had been "wounded or disabled in the land or sea service" in the Revolutionary War.

By way of contrast to present-day conditions, he explained that in the beginning the Continental Congress had provided what were termed "invalid pensions," amounting to one-half the monthly pay, to those whose disabilities rendered them incapable of earning a livelihood. However, as the resources of the Continental Congress were greatly depleted it was recommended that the several States assume the payment of these pensions, and while this was done, the States themselves were also in precarious financial condition and payments were uncertain and soon fell in arrears. This condition obtained until after the Constitution had been adopted and the new Government took

over payment of the pensions. There had developed much dissatisfaction, however, on account of the fact that many veterans had been unable to prove service connection for their disabilities and as a result were not entitled to the "invalid pensions." It finally became necessary to pass a new pension law not based upon service-incurred disability.

However—

Said the director—

It was 37 years after the close of the Revolutionary War before this action was taken, and it is significant that the progression has been much the same after each succeeding war. Service-connected disabilities have been promptly recognized, but it was not until need was demonstrated that other veterans have been cared for. But already in the instance of the World War veterans, 11 years after the armistice we find a responsible movement to do away with the service-connection clause in existing compensation legislation, so that the Government may come financially to the relief of the many veterans throughout the country who are in need as a result of disability the origin of which can not be traced to their military service. These veterans and their dependents require material assistance and, naturally, appeal to their Government for it, just as those other veterans who have preceded them.

PROBLEM OF INCREASING NEED

Probably right now there is no greater problem before the Government, connected with veterans' relief, than what policy it should adopt to meet this increasing need on behalf of its World War veterans for whom no legislation now is in force other than to provide them with hospitalization. The theory of our original legislation for World War veterans sought definitely to provide vocational training, compensation, and medical care and treatment to the veterans who were disabled through their military service. It had also made Government insurance available to all veterans at low cost. It was a different system than had ever before been developed in connection with this problem, and at the time was considered to be an adequate program to meet the obligation of the Government to its veterans.

However, this legislation has been amended year after year, consistently liberalizing the benefits allowed and increasing the scope of relief. Compensation payments have been increased, the presumption of service connection has been extended, hospitalization, where facilities permit, has been made available to veterans of all wars, without regard to the nature or origin of their disabilities, the time limit for application for Government insurance has been removed, and the adjusted compensation act and the emergency officers' retirement act have been added to veterans' legislation. Under the adjusted compensation act 3,440,760 certificates have been issued, representing an ultimate obligation of the Government in the amount of over \$3,500,000,000.

The total number of men who served in the armed forces of the country during the World War, including the Army, Navy, and Marine Corps, amounted to 4,800,000. The number who reached France was 2,084,000, and of these 1,390,000 saw active service in the front line. In the latter group 50,280 were killed in action or died of wounds, while 205,690 were wounded. The total number of lives lost in both Army and Navy from the declaration of war until July 1, 1919, was 125,500.

Under the present law—

The director continued—

over 1,100,000 claims have been filed, or about one claim for every four men who served; 568,370 claims have been allowed for both death and disability compensation, of which number 458,000 are for disability compensation alone, which is more than twice the number of those reported wounded in service. Two hundred and seventy-one thousand of these claims are now active; that is, veterans to that number are receiving current monthly payments of varying degrees. On behalf of all these claims which have been allowed the Government has disbursed in excess of \$1,500,000,000, and during the month of December last year \$17,000,000 was disbursed directly to the veteran or his dependents.

CONSOLIDATION IS URGED

Some idea of the magnitude of the Nation's potential obligation may be gained from the foregoing figures when it is realized that all who have filed claims to date represent only approximately one-quarter of the veterans who served. The problem will grow both in urgency and scope, and is a problem which must be approached with full knowledge of our past policies and with careful and earnest study of all its phases. It is evident that there must be formulated a new general policy affecting benefits for our veterans not only for the present, but so far as practicable to be prospective in scope.

It is this situation particularly which has caused me to urge the consolidation of all veteran relief as a preliminary to the study which will be necessary before we can adopt a national policy which would provide a definite program for uniform veteran relief, so that the veterans themselves will better understand the differences and discrepancies in the nature of the relief afforded, and in the event of future

wars a man might know when he enters the service just what recompense he or his family may expect in the event of his death or disability. This uniformity and equality can never be accomplished under a continued divided legislative and operative responsibility. The consolidation of veterans' agencies would automatically remove such impediments as dual jurisdiction, diversified control, duplication of effort, and other expensive and detrimental features thereby reducing administrative expenses, and with all Budget activities dealing with this problem concentrated in one agency would enable the Congress, the administration, and the people to know at all times the total cost of legislation dealing with veterans' relief.

And the cost—

Concluded the director—

is a most important item to be considered. With the Government, through its several agencies already spending nearly \$800,000,000 annually for veterans, we must make sure that any further relief provided be based upon plans that are economically wise, that they supply for the veterans the quality of service they require, and we must be sure of our future ability to meet whatever obligations we assume for this purpose.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules for printing under the rule.

The SPEAKER pro tempore. The gentleman from New York presents a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 169

Resolved, That upon the adoption of this resolution the Committee on the Merchant Marine and Fisheries shall have the balance of to-day and Saturday, March 1, for the consideration under the general rules of the House of the following bills: H. R. 7998, H. R. 8361, H. R. 9553, and H. R. 9592; this rule not to interfere with privileged business.

The SPEAKER pro tempore. Referred to the House Calendar and ordered printed.

Under the order of the House the Chair recognizes the gentleman from Oklahoma [Mr. McKEOWN] for 45 minutes. [Applause.]

MERGER OF OIL COMPANIES

Mr. McKEOWN. Mr. Speaker, and gentlemen of the House, on yesterday the gentleman from Texas [Mr. PATMAN] called to the attention of this House in a very able and enlightening manner the proposed merger of the Vacuum Oil Co. with the Standard Oil Co. of New York and the proceedings which were taking place. I want to say I know the Attorney General personally and I have a very high regard for him, and he has stated that in his opinion the proposed merger is a violation of the decree. The case originated in Missouri and went to the Supreme Court, and now, of course, the Attorney General has to go into Missouri to try out the question of the legality of this merger. These large business men say that under the antitrust laws they do not know just exactly what they can do and, therefore, as a matter of expediency they have to propose these combinations, submit them, and have a friendly lawsuit to see whether or not the combinations can be made. Of course, there is some force in that argument, but, gentlemen, here was a case in which all of these men were haled into court by the Government of the United States, and the viciousness of their combination at that time was passed on by the Federal courts and was sustained in the Supreme Court of the United States. Yet, here come two units of that once vast organization, that are larger to-day than that whole organization was in 1911, and they propose to consolidate. Gentlemen, it always appears strange to me that these fellows try to find out just how far they can go before they get themselves into trouble. What would you think about a fellow going to the county attorney and wanting to know just how far he could go in taking somebody's property without getting into trouble and have the county attorney act as his adviser and tell him whether or not he could do it before he committed an offense?

There is a good deal of force in the proposition that these business men do not know just how far to go. However, I believe they know how far to go. They merely want to see if the Attorney General knows how far they can go. That is what they want to find out. They know how far they can go; and it reminds me of what happened one time in Congress. A distinguished gentleman tried to interrupt a roll call, and the Speaker said: "The gentleman can not interrupt the roll call." He said: "I know it, but I just wanted to see if you knew it."

So that is the way it is with these combinations. They know how far they can go, but they want to see what the Attorney General of the Government has to say about letting them go.

Do you know what is taking place? Ever since the decision of the United States Supreme Court in the case against the

United States Steel Corporation just after the war, when the Government haled that great corporation before the court upon the theory that they were a monopoly themselves, these combinations have been trying to see how far they could go. The question in that case, as argued for the Government, was that to permit any one company to own 80 per cent of the business of the United States was ipso facto a trust. That was the contention of the United States Government. That case went into the Supreme Court of the United States and there it was held that it was not a trust to own 80 or 90 per cent of the business. I heard the arguments in that case, and when that case was decided I knew then that the economic situation in this country was due to be changed, because from that moment on would grow these combinations in all lines of business, because I stand here and assert that from a practical standpoint there is no difference between the agreement of a group of men to control the prices of articles in interstate commerce than there is for one man to buy out all of his competitors for the purpose of controlling prices in this country.

If a dozen men agree that they will fix the price at which their products will be sold in interstate commerce, then they violate the antitrust law and can be haled into the United States courts and punished either by fines or by dissolution decrees; but if one of them can go out and form a holding company and can put all of the stocks of all these companies into one holding company it is a legal transaction under the law as held by the courts. It is time, gentlemen, for you to give sober thought to the matter of meeting that proposition. Is it not just as much a trust if all the merchants in your little town sell out to one man, so that he can control prices by putting their stores into a combination under one holding company, as it is for them to agree to act together in fixing prices? The day of the independent operator is doomed unless Congress acts. When that day will come I do not know, and I do not know whether the situation can be met by Congress. I am not ready to say as to that. But the time has come when the chain store is driving the little, independent merchant out of business all over this country by reason of the concentration of the control of the purchase and the sale of goods. You are going to have to meet that problem at a not far-distant date. Some of these fellows are heralding themselves as great agriculturists by saying the time is coming when you can take machinery and farm vast areas. Whenever that time comes, gentlemen, the farmers of the country are going to be peasants, and they will be mere tenant peasants, working on crops through the use of machinery.

I did not intend especially to talk about trusts, except to outline what I wanted to follow up in the course of my remarks.

Now, these oil trusts have formed a holding company. They are proposing, if the United States Government will let them do it, to form a combination for the control of the crude as well as the refined products. You have a law commission to investigate crime and lawlessness in this country. If the big business men of this country will get a little more respect for the law in their hearts and set an example, you will have fewer thugs, fewer robberies, and fewer thieves in this country. They have an opportunity to set an example.

Now, what is happening in the United States? The Big Four that sets the price of the crude oil to the independent operators of this country have evidently gone into a world-wide cartel, not only to control things in the United States but evidently to control them in all foreign countries. What is happening? They set the price of the crude production in the United States and at the same time they are spending millions of dollars in developing the great oil fields of Venezuela. Venezuela has been in the field for a long time, but it is only lately that its production has amounted to anything. We now find a production of 136,386,630 barrels in 1929. The Lagunillas field in Venezuela is the most productive oil field in the world. I used to stand around in a sort of proud way and talk about the great Seminole oil field which at that time was the greatest known oil-producing area on earth.

But my great Seminole production faded away when it came in comparison with this Lagunillas field in Venezuela, because on only 750 acres that have been drilled in that territory the production has been 120,000 barrels per acre. Talk about your oil royalties in the Seminole country, why, they fade away when compared with that territory. In two years over 500,000 barrels have been produced in that area of 750 acres, which is at the rate, as I have said, of 120,000 barrels per acre, and only 8 miles of production has been tested out.

The United States last year produced over 1,000,000,000 barrels of oil. In addition to this, we imported 78,932,000 barrels of crude oil. We exported 26,394,000 barrels. We exported

gasoline and other refined products amounting to 127,155,904 barrels, and we imported in the same period, including fuel oil, 29,632,365 barrels. We exported from the Pacific coast over 50,000,000 barrels of oil, and we did not import a single barrel into the Pacific coast territory. To Canada, which is considered a part of our North American domestic market, we sent 22,385,000 barrels.

In 1928 we exported from the Atlantic and Gulf ports 69,814,000 barrels of crude and refined, while we imported into these same ports 91,566,880 barrels, an overflow of 21,752,000 barrels along the Atlantic seaboard.

And while we have been going around preaching the doctrine of conservation of oil to willing ears, the Big Four—the Dutch Shell, the Standard of New Jersey, the Pan American Petroleum, and the Gulf Oil Corporation—are rushing their developments in Venezuela.

Why, for years you have heard the cry that we must conserve our oil in this country, and the Congress has been, from year to year, appropriating money to the Bureau of Mines to test out the shales of Colorado to see how much oil there is there.

Why, bless your life, the production of oil has been increasing in the United States just as steadily as the demand has been increasing. There never has been a time when the curve was not going upward, and oil has been produced in this country and is now being produced where it was never dreamed it would be produced. So, gentlemen, it is a wild theory that we have got to conserve oil.

Why have these big companies been glad to hear the doctrine of conservation? Because while we are conserving the oil in the 20 States of the United States that produce oil, they can go down here to Venezuela and South America—and there are untold possibilities in South America—and bring in their cheap oil.

This does two things. It cuts the price of the oil at the well where we produce it, whether it is in Michigan or Oklahoma, to meet the price of the cheap oil they bring in from Venezuela or Mexico; and what is the result? They do not cut the price of gasoline. You can just bear that in mind. They cut the price of crude oil, but they never cut the price of gasoline.

It is estimated that while we are trying conservation, which is without any rime or reason, the major oil companies of the world, including those of the United States, Great Britain, and Holland, are spending \$100,000,000 in Venezuela. The sad part of it is that there is evidence of a world-wide agreement, a cartel, by which these corporations are to go out and arrange the price all over the world. Although the big companies are buyers of the United States crude, on the plea of increased production of crude in the United States, they have from time to time cut the price, but at no time has there been any evidence of any cut in the price of the gasoline sold in the great cities of the United States and throughout the Atlantic seaboard.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. O'CONNOR of New York. There is a difference in the price of gasoline sold in the city of New York. At the present time there is quite a war on there between the Standard, the Shell, and the Richfield. There is very active competition and they are cutting the price. There are different prices for different gasolines.

Mr. McKEOWN. Yes; but that is a temporary price, and when some fellow they want to put out of business is put out, they will put the price back.

Mr. PALMER. Will the gentleman yield for a question?

Mr. McKEOWN. Yes.

Mr. PALMER. I want to ask the gentleman if he does not think this conservation plan has not only paralyzed the oil business in the way of development by the little men, but has had a great deal to do with the stagnation of business in the oil country?

Mr. McKEOWN. Absolutely. The gentleman is right and I thank him for his contribution.

Mr. PALMER. In the gentleman's judgment, if there is any class entitled to a tariff to protect them, is it not the oil men?

Mr. McKEOWN. There is no question about that.

Mr. PATMAN. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. PATMAN. May I invite the gentleman's attention to the fact that the New York Times of to-day discloses the fact that in Brockton, Mass., a few days ago the district attorney got the grand jury to return bills of indictment against the Standard, the Texas, and several other companies for destroying competition in that city, under a pretense and claim that they were selling different kinds of gasoline at a different price. They

analyzed the gasoline and discovered it was all the same gasoline and the grand jury thereupon returned bills of indictment.

Mr. McKEOWN. I thank the gentleman for his contribution.

Mr. PALMER. Will the gentleman yield for one more question?

Mr. McKEOWN. I yield.

Mr. PALMER. In the gentleman's judgment, what would be an adequate tariff to protect the oil industry in the oil fields of his country?

Mr. McKEOWN. My answer to that would be the difference between what it costs to produce the oil in this country and what it would cost to put it on our shores from a foreign country, which would be \$1 a barrel.

Mr. ABERNETHY. Will the gentleman yield to me?

Mr. McKEOWN. I yield to the gentleman.

Mr. ABERNETHY. As I understand, the gentleman is in favor of a tariff for domestic oil?

Mr. McKEOWN. I am in favor of a tariff on imported oil; yes.

Mr. ABERNETHY. I do not want to be critical of the gentleman's argument, but I wondered if that would not have a tendency to increase the price that the people pay for gasoline?

Mr. McKEOWN. I think I can satisfy the gentleman that that will make no difference at all.

Mr. ABERNETHY. What I want is for the gentleman to show us some way how to get gasoline cheaper.

Mr. McKEOWN. I think I can show the gentleman.

Mr. O'CONNOR of New York. That would be 100 per cent tariff, because the price is \$2 a barrel and the normal domestic price is \$1.02.

Mr. McKEOWN. The cost price in the United States is \$2.46.

Mr. O'CONNOR of New York. That is due to the competition of foreign oil.

Mr. McKEOWN. This foreign oil costs 75 cents delivered at our coast. There is no evidence that there has ever been any cut in the price of gasoline, although they say that they cut the price of crude oil; and they not only cut the price of crude oil but they add insult to injury by importing 100,000,000 barrels of foreign oil and destroy domestic production.

It is apparent that there is a world-wide oil cartel, otherwise these big companies would be willing to stop the importation of Venezuelan oil. They are apparently willing that the Royal Dutch Shell, the largest foreign oil company in the world, one-half of whose stock is owned by the British Government—they are willing to have them come in and sell the bulk of their gasoline to the American people when 50 cents of every dollar of profit that they make goes into the hands of the British Government. You are taxing the American people to support the British Government, in an indirect way.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. O'CONNOR of New York. I only know the situation in New York. Everybody knows that there is a violent war on between the Standard Oil of New Jersey and the Dutch Shell; that is obvious by the way they are going on there. The prices are different. They are fighting each other.

Mr. McKEOWN. Oh, I know how they fight; they are old offenders in the fighting business. Having got their competitors where they can not do anything they make it up when they raise the price. I say there is some agreement between the Standard and the Dutch Shell.

There is no justification in taxing the American people when 50 cents of every dollar profit goes to the British Government. I do not see how you are going to stand for that proposition. The Shell has authorized an increase from 173,000 barrels refinery capacity to 250,000 barrels capacity in Venezuela, the bulk of which comes to this country. It looks to me as if it was hard enough for the American taxpayers to support their own Government without paying toll to some foreign country.

Mr. ABERNETHY. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. ABERNETHY. I am very much interested in what the gentleman is saying. Ordinarily, I would favor looking out for the American citizen. But I wonder how you are going to do that and still give us a lower price on gasoline and oil.

Mr. McKEOWN. If the gentleman will have patience with me, I will show him.

Mr. ABERNETHY. I am willing to be patient.

Mr. McKEOWN. This foreign, British-owned company can produce oil in Venezuela at a cost of from 11 to 18 cents a barrel. The native laborers are paid a dollar a day in American money. The drillers get \$400 a month, room, and board. They buy all of their machinery and pipe in an unprotected market. A majority of it comes from Belgium and Germany. Our people

in this country buy all of our steel supplies and our thousands and thousands of dollars' worth of steel in this country and contribute a tariff to this industry.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. HASTINGS. I wish the gentleman would make it clear that the independent companies are not importers of oil from Venezuela; that it is confined exclusively to these large companies.

Mr. McKEOWN. Yes; I am glad the gentleman reminded me of that.

Mr. HASTINGS. And another thing I want to make clear is, that if the amount of oil and refined products be curtailed, still there would be no depreciation in the oil industry in the United States if the entire domestic market were given to the producers in this country.

Mr. McKEOWN. There would be no depreciation and there would be no shortage; there would be plenty of oil and no reason to raise the present price of gasoline.

Mr. CROWTHER. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CROWTHER. Is it true that one of the largest importing corporations is really an alien corporation?

Mr. McKEOWN. I just stated that the Royal Dutch Shell Co. is owned by the British Government, to the extent of one-half, and that half of every dollar profit in this country goes to the British Government. They bring in that cheap oil and oil products to this country to compete, not against the big oil companies that retail the gasoline, but they lower the price of the crude oil that the little independents make and produce in this country. In the midcontinent field it costs \$1.70 per barrel, made up of the following items: Lifting expense, which is the expense to bring the oil from the well to the top of the ground, 57 cents a barrel; overhead, 20 cents; general expense of leases, 70 cents; depreciation of machinery, 23 cents; pipe line to the Atlantic coast, 76 cents; making the total cost of the oil \$2.46 delivered on the Atlantic seaboard, while they are now being paid \$1.20 a barrel for the oil. That is the situation. They are receiving \$1.20 a barrel for oil that costs \$2.40 to be put on the Atlantic seaboard. The Venezuelan oil costs 40 cents a barrel to deliver to the deep-water terminal, and then it costs 35 cents from there to the Atlantic seaboard, making a total cost of 75 cents, as against \$2.46 in the fields of Oklahoma and the Middle West.

Mr. CROWTHER. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CROWTHER. Is there any truth in the assertion made during the hearing and by some of the people who have been writing to us that this will not in the last analysis be beneficial to the independent small operators; that the reason for this price fixing, and so forth, is because the big companies own the refineries and the little fellows must be compelled to sell oil to them eventually? Is there any truth in that statement?

Mr. McKEOWN. No. The story goes in this way: The big fellows let the little fellow take the chance of finding oil, of doing the wild-cattling. If anyone loses money, well and good. They do not take any chances. When the little fellow finds oil, then they rush in and take over the situation, and if this tariff is not put on, this importation is not stopped, the little independent fellow, the little fellow that is helping you now hold your price down to as low as it is, will be wiped out of the picture and you will have the world cartel fix the prices, and they will fix it for all time.

Does the American consumer get any advantage in the lower price of gasoline? He does not get any advantage at the present time. Let us see what he gets. Although the crude price has been cut from \$2.04 in February, 1926, to \$1.20 in February, 1929, yet the price of gasoline at the service station, including the Dutch Shell in 52 large cities in the United States, less the gasoline tax, in February, 1926, averaged 18.9 cents a gallon, and in February, 1929, 18.39. It is higher than it was before they cut it, and I can give you an illustration. For the benefit of the gentleman from New York [Mr. O'CONNOR] I will give him the prices as compared with New York, to show whether there is any change.

Mr. O'CONNOR of New York. In that period there has been a lot of fluctuation. The price has been down to 12 cents and 16 cents.

Mr. McKEOWN. I am talking about the average price. There has been fluctuation in price all over the United States. We have 52 cities. In Washington City the price is 18 cents.

Mr. EATON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. EATON of Colorado. Is it the gentleman's contention that this is caused by competition between the Shell Co. and the Standard Co., or by agreement between the Shell Co. and the Standard Co.?

Mr. McKEOWN. My contention is that they have a perfect agreement. They have the territory laid out. The Shell operates in the United States and the Standard operates, and these companies go into their territories, and they have an agreement, because otherwise there would be no reason why the Standard permits the Shell to come in here and bring this cheap gasoline from Venezuela and put it on the market, but the Shell puts it on the market at the same price that they get here. The Shell will not cut the price.

Mr. PALMER. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. PALMER. Does not the gentleman believe that this cheap price is due to the fact that the foreigner sends in such a great supply at such a reduced price that he simply puts our men out of the field?

Mr. McKEOWN. They can drive them out by the price.

Mr. PALMER. They can not keep up with them if they do not get protection; it will destroy them.

Mr. McKEOWN. Absolutely.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield there in that connection?

Mr. McKEOWN. Yes.

Mr. ABERNETHY. I do not understand that anybody happens to be getting a cheap price of gasoline.

Mr. McKEOWN. That is not the case. It is the cheap price of crude oil that I am talking about.

Mr. ABERNETHY. Is there a deficit of crude oil? Can the gentleman work out a plan by which you can get a fair price for gasoline? That is what we are interested in.

Mr. McKEOWN. The price of gasoline at the filling station has not been cut by putting in effect improved methods. Nowadays we are able to take more gasoline out of a barrel of oil than was possible heretofore. That fact of itself ought to have reduced the price of gasoline, but it did not do it. These companies bring in the foreign oil in order to use that as a lever to force down the price of crude oil to the little operators in the field, and then they squeeze the consumer, the foreign business is included, and they maintain the price of gasoline here. The consumer does not get any advantage of the great quantities of crude oil coming in, but if we put on a tax to stop the crude, the thing I have in mind is whether that will augment the price of gasoline to you.

Mr. ABERNETHY. Yes.

Mr. McKEOWN. If they stop this crude oil we will have plenty of crude oil here, and it stands to reason that even if they were to raise the price to \$2.04 that will not have that effect. But you say, "Will they do it?" Are you willing to permit them to put out of business forever the independent operators now in business in this country who are the only ones that are holding back those great combinations and big oil companies from absolutely dictating and dominating everything? The only reason why they do not charge 25 cents is because of the little independents.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. O'CONNOR of New York. Can the gentleman explain why the price of gasoline in New York City was 23, and 24, and 25 cents?

Mr. McKEOWN. Yes. They do that in spite of the fact that domestically we increased our production to a billion barrels, which is the most ever produced in the country, and our production has equaled the demand; and if they charge the gentleman's people 23 cents in New York City at any time while they pay our fellows \$1.20 for the crude they are simply squeezing the people of New York.

Mr. O'CONNOR of New York. Why do the independents also increase the price?

Mr. McKEOWN. Those are the big ones.

Mr. O'CONNOR of New York. No; many of the refiners do that.

Mr. McKEOWN. If they charge 18 cents, they still make a profit. They are still paying dividends. But there are no real independents. Does the gentleman know of any independent companies?

Mr. O'CONNOR of New York. Oh, yes; I do; several of them.

Mr. McKEOWN. There are a lot of so-called independent companies who are parading themselves around as "independent" companies, but the stock is held on Wall Street.

Let me read you the retail gasoline prices in representative cities of the world as of September 30, 1929. I read:

Retail gasoline prices in representative cities of the world as of September 30, 1929

Country	City	American money
		Cents per gallon
Argentina.....	Buenos Aires.....	35.1-48.1
Australia ¹	Sydney.....	46.5-48.6
Colombia.....	Bogota.....	61.7
Cuba.....	Havana.....	28.0
France.....	Paris.....	34.3
Germany.....	Munich.....	28.9
Italy.....	Genoa.....	40.7
Mexico.....	Vera Cruz.....	31.8
England ¹	London.....	34.5
Venezuela.....	Caracas.....	32.8
United States.....	Washington, D. C.....	18.0

¹ Price per imperial gallon which is approximately equivalent to 1.2 U. S. gallons.

NOTE.—Authority, Department of Commerce.

Mr. ABERNETHY. The gentleman must not think I am trying to heckle him. But in other countries I understand the price is higher, and how does he expect now to increase the price for domestic companies and at the same time reduce the price of gasoline unless you do away with some of these combinations? How can you increase the price and still lower the price? That is the question.

Mr. McKEOWN. If you do not stop this inflow of foreign oil, then every independent operator who to-day receives \$1.20 a barrel for his oil goes out of business.

Let me call your attention to another fact: Irrespective of the price of gasoline to the consumer, if you do not stop the importation of this foreign oil, you are going to lose 300,000 little wells in this country that have a daily production of 500,000 barrels of oil. You have them in Pennsylvania and in Ohio and in West Virginia and all the oil States. In order to keep these little wells going an arbitrary price is fixed on the oil in certain old States to give them a market price. That is true of Pennsylvania and West Virginia oil.

Mr. HASTINGS. If one of these small wells gets water in it, that oil is destroyed, and another drilling will be required.

Mr. McKEOWN. Yes. Whenever the oil has gotten down to the cheap price it brings now, these men who own the little wells that have produced for 10 or 15 years will produce indefinitely a few barrels per day, provided you pump the wells at regular intervals. If you do not pump the wells, the water will get into them, and when the water gets in they will be gone forever.

If you do not stop the inflow of this enormous quantity of Venezuelan oil into this country you are going to lose those 500,000 barrels, which are the backbone of the production. The oil will at first flow from water pressure or gas pressure, but when that quits, then you have got to pump it, and when you get to pumping it your expense commences; you pump it and it becomes a settled production, and that is the backbone of the great oil production of this country to-day. This idea that a flowing well is a great thing is not the main backbone, and I say that if you do not stop the importation of this oil by putting a protective tariff on it these 300,000 wells in the United States will be taken off the map and they will not be coming back.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. SPROUL of Kansas. Can the gentleman tell us what it costs per barrel to produce the oil from these 300,000 oil wells?

Mr. McKEOWN. I can not give the figures exactly. The gentleman is better informed than I am on that matter and knows much more about the small wells.

Mr. SPROUL of Kansas. It is about \$1 a barrel, is it not?

Mr. McKEOWN. Yes.

Mr. SPROUL of Kansas. For the 300,000 wells?

Mr. McKEOWN. Yes.

Mr. SPROUL of Kansas. Then, what is it per barrel that the imported oil costs in its production?

Mr. McKEOWN. It costs 18 cents.

Mr. SPROUL of Kansas. Per barrel?

Mr. McKEOWN. Yes.

Mr. SPROUL of Kansas. Then, as I understand it, the bringing into this country of the Venezuelan-produced oil that costs 15 or 20 cents per barrel brings that oil into competition with oil that in the United States costs \$1 per barrel to produce?

Mr. McKEOWN. Yes; there is no question about that.

Mr. SPROUL of Kansas. If that is continued, it is the contention of the gentleman that the producers operating small wells will have to go out of business?

Mr. McKEOWN. They will have to go out of business and go out of business to stay. They will not come back again. If

they go out of business there will not be any coming back; they can not pump it back and they can not drill it back.

Mr. SPROUL of Kansas. The independent refineries throughout the United States purchase their supply of crude oil from the independent producers?

Mr. McKEOWN. Yes.

Mr. SPROUL of Kansas. If the independent producer who supplies the independent refineries throughout the country is put out of business, what will become of the independent refineries?

Mr. McKEOWN. They will go out of business.

Mr. SPROUL of Kansas. Then the five or six mammoth companies that own the big pipe lines and the transporting companies from the South American oil fields will have the exclusive oil business of the United States?

Mr. McKEOWN. Yes; and they will have the situation just as they want it.

Mr. HASTINGS. And, of course, that will enable them to raise the price of gasoline to the consumer?

Mr. McKEOWN. Yes. They have been at that game for a long time and they know how to operate it. They can put an independent retail station out of business by cutting prices and then make it back in a few weeks. They are very apt at that sort of business.

Now, here is an advertisement of the Shell Co. This advertisement is now being published in many of the papers of the country.

Mr. JONES of Texas. In what paper did that advertisement appear?

Mr. McKEOWN. This appeared in the Washington Star of Monday, February 24. This shows how much they are advertising and what they are doing. Now, this conservation doctrine is a mere snare and delusion. Our supply of oil in this country is sufficient for many years to come, and the big boys are tickled to death to hear our highbrows talking about the conservation of oil in the United States. They are going to Venezuela, and let me show you some of the gigantic operations they are carrying on in South America. The Creole Petroleum Corporation, which is owned by the Standard of New Jersey, has leased 7,071,000 acres in Venezuela. The Pan-American and the Lago Oil & Transportation Co., which is the Standard of Indiana, has 3,100,000 acres. The Gulf Oil Co., which is Mr. Mellon's corporation, owns 108,000 acres. The Sinclair Co. owns 1,001,000 acres. The Pantapac Oil Co. has title in fee to 3,354,604 acres, and of this amount 1,599,936 acres have been transferred to the Union Oil Co., the Texas Co., and their subsidiaries.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McKEOWN. There are many other companies that I have not the time to mention. Here is what you are going to do. You are going to let this oil come into this country until you destroy the backbone of the oil industry of America by destroying 300,000 small wells that produce 500,000 barrels a day.

Mr. JONES of Texas. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. JONES of Texas. The company that is advertising, I believe, the Dutch Shell, is a British-owned corporation, is it not?

Mr. McKEOWN. Yes; they own half the stock, 50 per cent.

Mr. JONES of Texas. The British Government owns more than half the stock? And it is practically a British-owned concern all the way through?

Mr. McKEOWN. There are American owners also, and American subsidiaries.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. SPROUL of Kansas. Is it a fact that the Dutch Shell imported 20,000,000 barrels of crude oil during the past year, which was approximately one-fourth the total amount imported?

Mr. McKEOWN. That is my understanding.

Mr. HASTINGS. And will the gentleman emphasize the fact that only a small portion of the holdings of these companies in Venezuela have been developed?

Mr. McKEOWN. Yes; a very small part.

Mr. HASTINGS. Something like 8 or 10 miles?

Mr. McKEOWN. Yes. And these fields are the richest oil-producing fields in the world.

Mr. HASTINGS. And they are, therefore, capable of unlimited development?

Mr. McKEOWN. They are capable of unlimited development for a long time to come.

Mr. HASTINGS. And the importations largely increased last year, and they are still increasing?

Mr. McKEOWN. Yes; they increased 33 1/4 per cent.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. O'CONNOR of New York. I have heard it stated many times that the Dutch Shell Co. is 50 per cent British owned, and I want to get the RECORD clear, as I am only interested in the consumers of New York. The Shell Co. is operating in New York as a domestic corporation and is operating in California, as I understand, as a domestic corporation, issuing American securities bought by the American public.

Mr. McKEOWN. Yes.

Mr. O'CONNOR of New York. Now, it may be theoretically true, I do not know what the facts are, that these American companies are owned by a parent company. I do not know that that is the fact, but I do know that Americans are furnishing the capital and buying the securities of these American Shell companies.

Mr. McKEOWN. That is true. They came here and operate in the State of Oklahoma. It was a fine, profitable property, and has paid its American owners handsomely.

The oil producers of this country pay the highest wages. Our oil people pay the highest wages of any industry. We have the highest class of workmen and we have such satisfactory workmen and they are so well satisfied that they have never thought of unionizing. Our oil men throw their individuality into their business. They go out to the fields and they know their men personally. They have a loyal set of men. But what is the situation now? You find this industry paralyzed. The industry shut down and every store, every farmer, every workingman, every man in that field is facing a crisis right now. They have shut down their oil wells and have lost thousands upon thousands of dollars in their effort to go along with these people, and these people agreed with them, that they would enter into the conservation program, they would hold up the prices, but they cut the price on crude oil. That is the kind of treatment they got.

Now, it is in the interest of the American consumer to see that this situation is stopped. [Applause.] It is in the interest of the American consumer to see that we do something in this matter. Unless a tariff of \$1 per barrel is put on, the independent producer is gone. He is going to disappear from the prairies of the midcontinent field, just like the buffalo disappeared from those prairies 50 years ago, and he will go just like the buffalo—he will go with his hide skinned and his bones left to bleach there for the balance of time. [Applause.]

The SPEAKER pro tempore (Mr. ANDRESEN). Under the order of the House, the Chair recognizes the gentleman from Georgia [Mr. LANKFORD] for 30 minutes.

CANAL ACROSS SOUTH GEORGIA AND NORTH FLORIDA

Mr. LANKFORD of Georgia. Mr. Speaker, ladies and gentlemen of the House, there is every reason for a canal across south Georgia and north Florida, and I believe it will be constructed in the near future. I know of nothing in a legislative way, with the exception of genuine farm relief legislation that would prove so beneficial to my people. For several years I have put my best efforts on the farm-relief legislation and the canal proposal. I fully realized during the last administration there was no chance to enact a canal bill at that time. I believe, though, that now the time is here for action. I am convinced this canal will be built in the near future; I am not sure, though, just where.

When a highway or a railroad is to be built, the question arises as to the route. So it is with a canal. This is primarily a question to be answered by the engineers and can only be determined by proper surveys. I am glad these are to be made so this all-important question can be properly settled. When this is done the first important step will have been taken.

Soon after I came to Congress I introduced a bill for a survey to determine the practicability of joining the Flint and Ocmulgee Rivers by a barge line, thus making a water transportation line from the ocean to the Gulf. At that time I made several speeches on the subject setting forth my views. Some people criticized me and urged I was fighting south Georgia on the canal project. Let us see if I was. If the barge line was constructed along the route then proposed by me, it would touch broadside or cross at least 17 south Georgia counties, including Glynn, Wayne, Appling, Jeff Davis, Coffee, and Irwin Counties in my district, would pass through the very heart of south Georgia and become a most valuable asset to the entire State. Anyone who will study the map will see the feasibility and importance of the route first suggested by me and of many other routes which are to be studied. All I have sought is a study of every possible practical route and in the end the selection of

the best route. This is a proposition of nation-wide importance, and I am only human when I hope that the best route will be located where it will benefit the largest possible number of my people.

Mr. Speaker, some time ago I put a plat and some remarks in the CONGRESSIONAL RECORD indicating several routes I wanted considered and only a few days ago I introduced a bill suggesting several other routes I also wish to be studied.

I now wish to discuss these new proposals for the benefit of the House and to indicate why I desire these surveys. I shall not now discuss those routes in my recent bill which are identical with those in my former bill and which are covered by plat put in the RECORD some time ago. Of the new proposals let me first discuss route (b), which is as follows:

Westward along either the St. Marys or Satilla River to a point to be selected on either near Folkston, Ga.; thence in a westerly course along the most practical route near or via Valdosta, Quitman, Thomasville, Cairo, and Bainbridge, Ga., to the Flint River.

This route would be just as valuable to Georgia counties touching the St. Marys River as any other route, and would cross, in addition, counties in south Georgia, as follows: Ware, Clinch, Echols, Lowndes, Brooks, Thomas, Grady, and Decatur. This route would run east and west, and is the shortest distance between the navigable waters of the St. Marys and Satilla Rivers and the navigable waters flowing into the splendid harbor on the Gulf, at the mouth of the Apalachicola River. I honestly believe this route is better, from every standpoint, than many of the other routes that have been suggested.

What is wrong with my asking for a study of this route, and who in the cities of Valdosta, Quitman, or Thomasville, or the other territory along this route will be very mad if this canal, connecting up one of the greatest waterways of the Nation, is constructed by their front gate? I am sure I would be happy for this route to be used.

Now, let us consider route (c), as follows:

Westward via the Satilla River to a point on said river as far north as the northernmost part of the Okefenokee Swamp, thence in a westerly direction near or via Homerville, Du Pont, Lakeland, Hahira, Coolidge, Ochlochnee, and Bainbridge, Ga., to Flint River.

This is one of the most interesting routes yet suggested. Either the St. Marys or Satilla Rivers or both would be the eastern terminus. The canal would run either through the northern part of, or just north of, the Okefenokee Swamp and thence westward to the navigable waters of the Flint River. It would pass near or by St. Marys, Woodbine, Folkston, Homerville, Du Pont, Stockton, Lakeland, Hahira, Coolidge, Ochlochnee, and Bainbridge, Ga. It would be so close to Waycross, Valdosta, Quitman, Nashville, Ray City, Adel, Sparks, Hahira, Moultrie, and Thomasville as to greatly reduce their freight rates and be as beneficial as if it passed within their corporate limits.

It might be found best to follow the Atlantic Coast Line Railway after reaching it at or near Homerville. Then, again, if it should run due west after getting past the swamp, it would probably cross the railroad at or near Du Pont, going near Lakeland, Hahira, and so forth. This route has a sentimental appeal to me, as it would pass through the section where I was born and reared, where I taught country school, and where most of my relatives live. Of course I know this will have nothing to do with the selection of the route. One great advantage of this route is its level surface and the ease with which an abundance of water can be obtained, both by seepage and from small streams, ponds, bays, and creeks. I am sure a survey of this route will establish many reasons for its adoption. Practically all the streams entering the Okefenokee Swamp are from the north, and would be crossed by this route, thus utilizing their waters for canal purposes before they enter the swamp.

Then, again, this canal would be a valuable adjunct in connection with the drainage of much valuable land in a half dozen south Georgia counties. I am asking for this route to be surveyed and stand on its merits. I want the best route to be selected, and I shall be for that route wherever it may be.

Much has been said about the Gilmore survey, which was authorized when I was 6 months old and was made while I was yet a baby; and many people believe that survey is authority for the idea that there is only one practical route for the canal and that is by tying together the St. Marys River and the Suwannee River, and thus utilizing the St. Marys into the Atlantic Ocean and the Suwannee into the Gulf. It is urged that the canal is practically ready for use by means of these rivers, and that with a little work vessels can sail up the St. Marys, into and through the Okefenokee, into the Suwannee, and thence along the Suwannee to the Gulf of Mexico. This is

all a mistake, for three reasons: First, no one has ever suggested using the St. Marys River any farther than near Folkston, Ga. This is only about one-third of the length of the river from the Atlantic Ocean to the Okefenokee Swamp. The other two-thirds of the river is entirely too crooked, does not run in the right direction, would require very expensive development, and would make the total length of the canal too great. It will be seen by reference to the map that the St. Marys River leaves the Okefenokee in a channel going in a southerly direction and does not change its course until it is almost as far south as Jacksonville, Fla.; then it flows east for some distance toward Jacksonville and the mouth of the St. Johns River, but before reaching the St. Johns River it changes its course northward, and after flowing nearly to Folkston it again changes and flows eastward into the Atlantic Ocean. Thus it is that neither General Gilmore nor anyone else familiar with this river ever advocated using any part of the river for a canal, except the splendid stretch from the ocean to the big bend near Folkston, Ga.

A second physical fact not generally known is that the Okefenokee Swamp is higher than the surrounding country and is the highest land covered by the Gilmore survey between the Atlantic Ocean and the Gulf of Mexico.

In the case of a sea-level canal the deepest excavations would be in the Okefenokee Swamp and in the case of a barge line the vessels would have to be lifted by locks in order to get them high enough to enter the swamp level and would have to be lowered by locks in order to get them back to the lower levels between the swamp and the end of the canal.

A third reason why these two rivers will not be tied together and each utilized in whole as parts of the channel of a canal is in the fact that the Suwannee River is too crooked, does not run in the right direction, empties into the Gulf too far south and neither Gilmore nor any other one else, giving careful study to the geography of the country, has ever advocated such a use for barge purposes.

The sea level canal route recommended by Gilmore, only crosses the Suwannee once but does not follow its channel. The barge line recommended by Gilmore only crosses the Suwannee in or near the edge of the swamp and does not again touch the Suwannee River.

It will be seen by an inspection of the map attached to the Gilmore report that the barge line recommended by him is identical with the barge line suggested by me from the St. Marys River via Valdosta and Quitman, etc., to the Flint River, except that the Gilmore route after reaching the western edge of the Okefenokee Swamp changes to a southwesterly direction going into Florida and to St. Marks, whereas my route could continue westward via Valdosta, Quitman, and Thomasville to the Flint River near Bainbridge.

My route is much shorter, would serve the same cities in Georgia as the Gilmore route and in addition cross several other splendid south Georgia counties.

Few people realize the fact that the barge line recommended by Gilmore proceeds from the Atlantic Ocean directly toward Valdosta nearly two-thirds of the distance to Valdosta before changing its course and that the route by Valdosta suggested by me would be across level land where a canal can be easily constructed, with abundant water supply; whereas the St. Marks route is a longer course into and through Florida where the terrain is not so level, where the surface is oftentimes underlaid with limestone and difficult to excavate and where there is serious question about a canal holding water on account of lime sinks and subterranean channels.

General Gilmore in his report quotes Lieutenant Smith, of the United States Army, who studied the Florida route in 1855, as saying:

The rotten limestone is said to be easily excavated when first uncovered and to harden by exposure to the air. Its thickness is unknown. It probably rests upon (if it is not formed from) the coral beds which underlie a great portion of the peninsula. Its impermeability and fitness to form the bottom and slopes of a canal are, to say the least, doubtful. The reports refer to it as porous and easily permeable to water. The water absorbed by the soil appears to pass off in great part above the limestone, yet the smaller rivers not infrequently sink in it and flow through subterranean passages.

General Gilmore further says:

Along the Gulf shores toward St. Marks the limestone is not more than 5 to 15 feet below the surface of the ground.

Again General Gilmore says:

While the upper stratum of the peninsula is generally sandy on both sides of the Florida ridge, to a depth of at least 5 or 6 feet, the substratum is not the same on both sides. On the eastern it is clay mixed with a great deal of sand; but on the western side it is throughout a

kind of stratified rotten limestone, presenting frequent outcrops on the surface, in many places undermined by streams which sink abruptly and force their way through the cavernous parts of the mass, to resume, at some distance away, their natural course upon the surface.

In this connection let me state that General Gilmore in speaking of the sand and clay found in south Georgia and north Florida says:

The sand is mixed with sufficient clay to render it water-tight when puddled.

Again he says:

The clay is firm, tough, and impervious to water.

If the Gilmore survey did not change its course near the western edge of the Okefenokee Swamp, but continued due west as it proceeds through the swamp near the northern end of Billies Island, it would pass about 6 miles north of Fargo, Ga., about 10 or 12 miles south of Homerville, Ga., getting nearer the Atlantic Coast Line Railway all the while and probably reaching it near Naylor, Ga., and then proceeding westward to the Flint River and the harbor at the mouth of the Apalachicola River.

I can not understand why Georgia people should criticize me for seeking this survey. I have also been criticized for urging a survey to determine the feasibility of using the Satilla River as the eastern terminus of the canal.

I am again ready to cite the Gilmore survey as one of my authorities for asking a survey of this route. From the Gilmore report, as contained in Senate committee print, Sixty-fifth Congress, second session, page 31, I quote as follows:

It is not certain from the information gained that the St. Marys River is superior to the Satilla for purposes of improvement for ship navigation. At a point 27 miles from Cumberland Sound they are only 4½ miles apart, and it may be deemed best to make a canal connection across this neck and use the Satilla. Both these streams require to be carefully examined.

This citation is in support of various routes suggested by me in which the Satilla River would be the outlet to the Atlantic Ocean. As suggested, it may be best to use both the St. Marys and the Satilla Rivers as eastern termini.

I wish to quote again from the Gilmore report, and from the same page just named, as follows:

An examination should also be made of the Gulf coast in order that the best site for an artificial harbor may be selected, although there is probably not much choice in this respect at or near the terminus of the shortest canal line.

Gilmore was right about harbor facilities, and it is now settled that any barge line adopted and built must use St. Georges Sound at the mouth of the Apalachicola River as the western or Gulf terminus.

Every route suggested by me is recommended with the view of endeavoring to find the best route from the Atlantic Ocean to this excellent and only available harbor.

It is so easy for us to get an erroneous idea about directions and distances. Very few people realize that Valdosta, Quitman, and Thomasville are all on or very near a direct line from the navigable waters of St. Marys River to the nearest navigable waters—the Flint River—entering the splendid harbor at the mouth of the Apalachicola River, which all concede must be the western or Gulf terminus of this cross-country barge canal. Very few people realize that the mouth of the Satilla River at St. Andrews Sound, Du Pont, and Hahira, Ga., are all on a line running due east and west, and yet the thirty-first parallel of north latitude runs through all three of these points and continues westward near the northern boundary of Lowndes, Brooks, and Thomas Counties, in Georgia.

Mr. Speaker, I wish every person in Georgia who is interested in this canal would study the map placed in the RECORD by me and also his State map and realize the pretty combinations of rivers and terrain that enter into the selection of this canal route. I know very little about surveying, but I want those who do know to solve this problem.

I shall not at this time discuss the other routes proposed by my recent bill, as they are either discussed and presented in my map and remarks put in the RECORD some time ago, or they are extensions of those routes. In other words, some of the routes first suggested by me use either the Aucilla or Ochlocknee Rivers as a means of entering the Gulf. My last bill would extend all these routes to the Flint River. I am not abandoning any route. I am asking for a survey of the entire field, including every route suggested by me and all other routes that the engineers may deem advisable.

Without discussing at this time, I will merely read the other routes as set out in my bill that are extensions of routes previously proposed by me. Here they are:

(d) Westward from Brunswick Harbor along Turtle River as far as practicable, thence to the Satilla River at or near the eastern corner of Pierce County, Ga., thence along the Satilla River to a point on said river near Pearson, Ga., thence in a westerly direction along the most practical route near or via Nashville, Sparks, Adel, and Moultrie to the Flint River.

(e) From a point on the Satilla River at or near Waycross, Ga., along the Atlantic Coast Line Railway to the Aucilla River at or near Quitman, Ga.

(f) From the Satilla River at or near Pearson, Ga., via or near Nashville, Sparks, and Adel to the Ochlocknee River at or near Moultrie, Ga.

(g) From the Ocmulgee River at or near northwest corner of Coffee County via or near Ocilla, Irwinville, Tifton, Ty Ty, and Bridgeboro to Flint River at or near Baconton, Ga.

Many people have suggested to me that the last route, just mentioned, is impractical as there would not be sufficient water supply for the higher levels of the canal. Of course, if the canal should be constructed on a level with the rivers to be connected or with some of the larger streams and rivers it crosses, there would be an abundance of water. Then, again, there could probably be enough water impounded in some stream or water basin on the upper level to amply supply the canal. There is still another sure method of securing all necessary water and that is by constructing either a siphon or diversion canal from some place upstream on either the Ocmulgee or Flint Rivers, by beginning at some place sufficiently higher than the highest point on the canal and bring sufficient river water to the highest level of the canal. Thus it is I have absolutely no apprehensions along this line.

Mr. Speaker, I have been most anxious all the while to ascertain the very best location for this proposed canal across south Georgia and north Florida. I have consistently and conscientiously sought a survey to settle this question. Even though I have been misunderstood, I have fought on for a study of the whole field so as to determine just where the canal should be constructed. When the last river and harbor bill was under consideration I considered seeking a definite authorization of several surveys with the view of determining the relative feasibility of each. I found that a general authorization of a survey from Cumberland Sound to the Gulf of Mexico could be obtained without a fight and the incident complications and that if I sought a definite authorization for surveys of several routes complications might arise and we might lose even a general authorization. I had some fear that the general authorization, coming as it did in connection with the intracoastal canal, might be construed to authorize the survey only along the coast and hence around Florida.

I discussed this angle of the authorization with the gentleman from Florida [Mr. GREEN], and we decided that the item would secure the survey of an overland route. This discussion was by private conversation on the floor of the House while the river and harbor bill was being considered and before this item was reached. At that time each of us was sure the item then being included in the river and harbor bill would authorize the survey of the more direct routes. I was anxious for the authorization to be construed as sufficient to cover all routes through Georgia as far north as the one suggested to connect the Ocmulgee River with the Flint River just south of Macon. I am glad the construction so much desired by me has been held fully justified under the Cumberland Sound-Gulf of Mexico provision.

Mr. GREEN. Will the gentleman yield?

Mr. LANKFORD of Georgia. I will gladly yield to my good friend.

Mr. GREEN. I recall our discussion of this survey just before the item was reached in the bill, and I am glad it has been construed to authorize a survey of all routes in north Florida and south Georgia.

Mr. LANKFORD of Georgia. I am glad we are in thorough accord on the matter and I feel that this is a problem for the engineers.

Mr. Speaker, all important legislation is the result of compromise. We all gain and we all lose. A Member gains by getting his idea, amendment, or bill inserted in the general bill that passes; but the effect of his victory is lessened by the insertion of proposals of others with contrary or additional desires and views.

So it was with my colleague from Florida [Mr. GREEN] and myself when the provision for a survey from Cumberland Sound to the Gulf was inserted in the last river and harbor bill. Mr. GREEN was seeking the survey of routes, all of which, or the principal part of which, are in his district in Florida, and I was seeking the survey of every possible route through

or bordering on my district. The result was the insertion in the river and harbor bill of a provision authorizing a survey of all routes. In this way all our bills passed, for we secured the enactment of all our measures and I only lost by not being able to exclude the surveys entirely within Florida desired by Mr. GREEN, and Mr. GREEN lost by not being able to exclude or prevent the surveys across my district which I so much desire. All of us have feared that the authorization in the last river and harbor bill did not authorize as extensive and definite surveys of the various routes as is necessary. So we have again introduced canal bills pending the preparation and consideration of the present river and harbor bill.

I have introduced and am fighting for bills for the survey of the St. Marys-St. Marks route and every possible route north thereof that runs through Georgia. Mr. GREEN has introduced and is fighting for the enactment of a bill providing for—

Surveys and reports thereon to be made for a cross-State waterway across northern Florida connecting the Atlantic coastal waterway with that of the Gulf of Mexico, including all feasible routes.

Of course, this bill would only authorize surveys wholly within the State of Florida. My bills always seek surveys across both Georgia and Florida, for the simple reason that Florida has the advantage in this contest. None of these proposed canals can reach the Gulf without crossing part of Florida. The struggle on my part is to get at least a part of the canal constructed along the border of Georgia or through south Georgia. I am hoping Florida does not get all of it. Not that I love Florida less but that I love Georgia more.

My loyalty to Georgia and my district is fully matched by the loyalty of my good friend Mr. GREEN to his district and State.

And may I add that the gentleman from Florida [Mr. GREEN] and I are in most thorough accord in our support of the movement for the construction of a canal connecting the waters of the Atlantic with the Gulf somewhere between Macon, Ga., and Tampa, Fla. We agree that the selection of the route is largely if not entirely an engineering problem and both will be found fighting to the last ditch for the most feasible and practical route, whenever it is determined, regardless of where it is located.

Of course, this is a great national project, and we should look at it from a broad standpoint, but we are all human, and it is only natural for us all to want the best location to be right through the middle of our district. I confess I feel that way about this proposition.

Mr. Speaker, I want to discuss more fully, and make some observations concerning, the law as written in the last river and harbor act. Well, to make a long story short, the bill became law containing the general authorization for the survey from Cumberland Sound to the coast of the Gulf of Mexico. Since the passage of the bill I have kept in touch with the Army engineers and suggested by bills, remarks, plats, and personal interviews the routes I wished to be studied and urged that the general authorization gave legal approval and sanction to the reconnaissance, study, and survey of the entire field.

Mr. GREEN. Will the gentleman yield?

Mr. LANKFORD of Georgia. I will be glad to yield to the gentleman.

Mr. GREEN. Is the gentleman advised as to what progress is being made in the survey that is now going on?

Mr. LANKFORD of Georgia. I understand that surveys are being made under the authorization made in January of 1927, and that there will be a report made by the engineers some time within the next 60 days.

Mr. GREEN. Under the legislation the gentleman has mentioned, which was passed in 1927, I wonder if the gentleman is advised whether or not the Board of Army Engineers will have authority or interpret that they have authority sufficient to enable them to survey all suggested or feasible routes for this waterway from the Atlantic to the Gulf across north Florida and south Georgia; in other words, whether they have full power to proceed. What is the gentleman's information on that?

Mr. LANKFORD of Georgia. My information is that the authorization for a survey from Cumberland Sound to the mouth of the Mississippi River has been interpreted by the Board of Engineers to give them complete authority to make recommendations, studies, and surveys of all practical routes from Cumberland Sound to the mouth of the Mississippi. I have in my possession a letter written by the Chief of Engineers to the gentleman from Florida [Mr. GREEN], also one to the gentleman from Georgia [Mr. EDWARDS], who is on the Rivers and Harbors Committee, and one to myself, which I wish to incorporate in the Record.

Mr. Speaker, at this time I ask unanimous consent to incorporate in the Record three letters from General Brown, one to

the gentleman from Florida [Mr. GREEN], one to the gentleman from Georgia [Mr. EDWARDS], and one to myself, and also a letter written by me to General Brown.

The SPEAKER pro tempore. The gentleman from Georgia asks unanimous consent to extend his remarks by including therein certain letters as indicated. Is there objection?

There was no objection.

Mr. EDWARDS. Will the gentleman yield?

Mr. LANKFORD of Georgia. I will be pleased to yield to my friend from Georgia.

Mr. EDWARDS. The intracoastal waterway proposed from Boston to Miami, Fla., with the exception of the link across New Jersey and the link from the Cape Fear River down to Charleston, S. C., is now practically completed?

Mr. LANKFORD of Georgia. That is true.

Mr. EDWARDS. If this proposed waterway through natural waterways and land cuts is made across southern Georgia and northern Florida it will link up the intracoastal waterway on the Atlantic with the intracoastal waterway on the Gulf, will it not?

Mr. LANKFORD of Georgia. That is the real purpose of it.

Mr. EDWARDS. And unless that is done shipping will continue to have to go around Florida from the Atlantic into the Gulf?

Mr. LANKFORD of Georgia. And make the course much longer. Then again, much of the Florida coast is open shore line and the intracoastal waterway can not be constructed along that open shore line without digging a canal along the shore. It would be much easier to construct a canal from some place on the Georgia coast or the Florida coast across to the Gulf at St. Georges Sound than it would be to construct a canal along that open shore line of the Florida west coast.

Mr. EDWARDS. Being on the Rivers and Harbors Committee, I know how hard the gentleman from Georgia has striven to get this project under way. Does not the gentleman agree that if the engineers should find they have not ample authority under the 1927 survey provision which he has referred to, that the bills which he and I have introduced, our bills being identical, providing for a survey to determine the most practicable route will enable the engineers to reach that result?

Mr. LANKFORD of Georgia. That is true, and I may say in this connection, the gentleman from Florida [Mr. GREEN] has also introduced an identical bill, and, in fact, the gentleman from Florida [Mr. GREEN], the gentleman from Georgia [Mr. EDWARDS], and myself are agreed upon the proposition that there should be such surveys made as may be necessary in order to find the most practical route for this proposed canal.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. LANKFORD of Georgia. Yes.

Mr. WILLIAM E. HULL. Does not the route which they are now figuring on go down through Lake Okeechobee and then across to New Orleans in that way?

Mr. LANKFORD of Georgia. I understand there is such a route proposed.

Mr. WILLIAM E. HULL. That would cut out Georgia entirely, would it not?

Mr. LANKFORD of Georgia. No; for the reason that the proposed canal across south Georgia and north Florida would greatly shorten the distance from the Atlantic to the Gulf. The Okeechobee Canal would not.

Mr. EDWARDS. I may say, if my colleague will permit, that such route, if adopted, would not be a saving of distance—that is, a material saving of distance. The route that my colleague [Mr. LANKFORD] has in mind, and I am sure he will agree with what I say, will cut straight across from some point below Savannah, Ga., across south Georgia and across north Florida and will save hundreds of miles to shipping, and that is a thing that must be taken into consideration.

Mr. WILLIAM E. HULL. But all we have had before our committee so far is the route through Lake Okeechobee and then to New Orleans.

Mr. EDWARDS. The report has not yet come in on this proposed project. That is the reason we have not had it before the committee as yet.

Mr. LANKFORD of Georgia. We have not been insisting upon any new survey through south Georgia and north Florida, for the reason that the item carried in the river and harbor bill of 1927 has been held by the Chief of Engineers sufficient to authorize a study of these various routes, and the various routes are being studied by the engineers, and until we get that report it is thought unnecessary to go to the committee and ask for a further authorization along that line. But those of us who live in south Georgia and north Florida feel if there is going to be a great saving of distance, it must be done without going too far

down into Florida to construct this canal. Not only has the Okeechobee route been proposed but there are numerous routes in Florida all the way from Tampa, Fla., to the Georgia line. Those of us in the House from south Georgia are advocating surveys of numerous routes from Macon to the St. Marys River. The Okeechobee route is too far south to become a part of the intracoastal waterway from Maine to the Rio Grande.

Mr. GREEN. If I may suggest to my friend from Illinois, if the gentleman from Georgia will permit, from recent conferences which we have held with the chairman of the Rivers and Harbors Committee, there seems to be no disposition on the part of the chairman to confuse the Okeechobee-Calooasahatchee route with the route across the upper part of the State and across south Georgia.

Mr. WILLIAM E. HULL. Mr. Speaker, I would like to get this matter straightened out. Which one of these routes would the gentleman favor, going across Georgia or through the Okeechobee?

Mr. GREEN. It is obvious that the Lake Okeechobee-Calooasahatchee route is primarily for flood control of the Okeechobee region, and is not to be confused with the portion of the intracoastal waterway as is now being discussed by the gentleman from Georgia. It is obvious, to accomplish the purpose of the intracoastal canal system, that the canal should go through the upper part of the State of Florida and through south Georgia or in that vicinity.

I would like to ask my friend from Georgia, from the study which he has made in this case, which has been exhaustive, because he has been one of the men who has advocated and worked earnestly for this canal for years, from his information, does he interpret the disposition of the Board of Army Engineers that they are not only authorized but that they will make complete surveys of the various routes in north Florida and south Georgia, for the purpose of determining the most feasible?

Mr. LANKFORD of Georgia. Absolutely, and I base that on conversations with them and letters which I have received from General Brown.

Mr. WILLIAM E. HULL. I would like to get you two gentlemen straight. If they should decide on going through the Okeechobee route, the gentleman from Georgia would not be satisfied.

Mr. LANKFORD of Georgia. My contention is this, that a canal built through by Okeechobee would not shorten the distance around Florida as would one built through south Georgia and north Florida, 300 miles farther north.

Mr. WILLIAM E. HULL. And would the gentleman from Florida be satisfied with one built across Georgia?

Mr. GREEN. I am earnestly supporting the Calooasahatchee-Okeechobee flood control bill, but this project has never, to my knowledge, been considered a portion of the intracoastal canal system from Boston to the Rio Grande. It is altogether a different project.

Mr. WILLIAM E. HULL. I am not talking about flood control. I am talking about a waterway. Which would the gentleman prefer, one across south Georgia and Florida or one through Lake Okeechobee?

Mr. GREEN. We want both, and do not think the Okeechobee-Calooasahatchee could or should conflict with the one now under discussion.

Mr. WILLIAM E. HULL. You are not going to get them both. I am trying to get an agreement between you two gentlemen. Which one would the gentleman from Georgia take?

Mr. LANKFORD of Georgia. I will take the one through south Georgia. The Calooasahatchee-Okeechobee route does not answer the purpose we have in mind.

Mr. GREEN. I am supporting the Calooasahatchee-Okeechobee project vigorously, but it has never been and is not identical in purpose with the project now under discussion. This latter project is the final link in the intracoastal waterway system.

Mr. EDWARDS. With the permission of my colleague from Georgia [Mr. LANKFORD], who has the floor, let me state that the route in which we are directly interested, as a navigation project, is the proposed route directly across southern Georgia and northern Florida, connecting the intracoastal waterways of the Atlantic and the Gulf upon which the Government has already spent millions of dollars. This would be the connecting link that is badly needed, and no one has put in more study and hard work on it for the last few years than has my distinguished colleague from Georgia [Mr. LANKFORD], with whom I am cooperating.

Mr. LARSEN. Mr. Speaker, will the gentleman yield?

Mr. LANKFORD of Georgia. Yes. I gladly yield to my good friend from Georgia whose district is only separated from mine by the Ocmulgee and Altamaha Rivers.

Mr. LARSEN. As I understand it, there is considerable contention as to various surveys that should be made. The gentleman is of course perfectly familiar with the territory involved in all of these. Of course, there is a proposition that is being considered a great deal in the section from which I come, and that is the proposed route through the Altamaha and Ocmulgee and then across to the Flint and down through the Chattahoochee and the Apalachicola. The gentleman has heard a good deal about that.

Mr. LANKFORD of Georgia. I think it is a practical route, and one that probably may be adopted by the Board of Engineers. I am assured a survey will be made of this route.

Mr. LARSEN. The people in that section are very anxious that a survey be made to determine whether or not that is a feasible route. I think that the probabilities are that it is feasible.

Mr. LANKFORD of Georgia. General Brown has notified me in a letter that I am putting in the RECORD to-day that that route along with the others will be considered.

Mr. LARSEN. Then the gentleman assures me, so far as he is concerned, that he will try to see that a survey is made.

Mr. LANKFORD of Georgia. I am very much in favor of that route. I am glad it is to be surveyed.

Mr. LARSEN. Of course, if it is not more feasible than other routes, we do not expect it adopted, but we want the several routes studied and surveys of them made. Then let the Army engineers decide which is the most feasible route, considering the cost of construction and the public interests to be served, and so forth.

Mr. LANKFORD of Georgia. That is being done, and the letters which I shall put in the RECORD to-day, one to Mr. EDWARDS, one to Mr. GREEN, and one to myself, all from the Chief of Engineers state that all those routes are being considered.

Mr. GREEN. And after all, the engineers' decision in the matter would be conclusive.

Mr. LANKFORD of Georgia. Yes.

Mr. GREEN. I hope all routes in the northern part of Florida will be surveyed.

Mr. LANKFORD of Georgia. I am absolutely sure this will be done, and my authority for this statement is contained in the letters I am to-day incorporating in the RECORD as part of my remarks.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. LANKFORD of Georgia. Yes. I gladly yield to my friend whose district in Georgia is just west of mine.

Mr. COX. The location of the canal, as proposed by the gentleman, who has studied this question for a good long while, and who probably knows more about it than anyone else, would make possible the utilization of rivers of more or less importance that we have in that section.

Mr. LANKFORD of Georgia. That is true.

Mr. COX. And the location of the canal at that point, or as proposed by the gentleman, would necessarily serve a larger and greater public use than would be possible in locating it at some place further down across the State of Florida.

Mr. LANKFORD of Georgia. I feel that is true. I know the distance would be much shorter than to go very far down into Florida. My purpose has been to have the surveys made to determine whether or not it is practical to connect two rivers in Georgia—one going into the Gulf at St. Georges Sound at the mouth of the Apalachicola and another river going into the Atlantic at some place on the Georgia coast.

Mr. WILLIAM E. HULL. How far is it over from Cumberland Sound?

Mr. LANKFORD of Georgia. Some of these navigable rivers in Georgia are not over 25 or 30 miles apart. I fear I did not fully understand the gentleman's inquiry.

Mr. WILLIAM E. HULL. I asked what is the total distance across?

Mr. LANKFORD of Georgia. Some 150 to 200 miles.

Mr. WILLIAM E. HULL. To New Orleans?

Mr. LANKFORD of Georgia. It would be further than that to New Orleans. I mean from the Atlantic to the Gulf.

Mr. WILLIAM E. HULL. Where would you come out in the Gulf of Mexico?

Mr. LANKFORD of Georgia. At the mouth of the Apalachicola River.

Mr. YON. I think the first route proposed across the State was connecting the St. Marys through the Okefenokee Swamp on the border of Georgia and north Florida with the Suwanee River that flows to the Gulf, having its source in this swamp, and then maybe leaving that and going across to the westward to the Aucilla River, and maybe to its mouth. The distance across there from the ocean to the Apalachicola River, I think, is not over 150 or 160 miles.

From the Gulf at the mouth of the Aucilla to Apalachicola is about 60 or 100 miles. The Apalachicola by water line is about 175 miles east of Pensacola.

Mr. EDWARDS. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield to my friend.

Mr. EDWARDS. In order that it may get into the Record, the State of Georgia has by legislation named a commission to deal with this matter, and the State of Florida has done likewise.

Mr. LANKFORD of Georgia. That is true.

Mr. EDWARDS. Now, this proposed canal that would connect the intracoastal waters of the Atlantic with the Gulf waterway, a distance of 100 to 150 miles, will effect a saving to water-borne traffic of something like six or eight hundred miles.

Mr. YON. More than that.

Mr. EDWARDS. It might be about a thousand miles, which would be quite an item.

Mr. YON. I want to say the project—that is, the Caloosahatchee, Lake Okeechobee—is one for flood control in connection with the better means of navigation, and I hope this will be approved. But going down the State that great a distance would make the intracoastal canal route at least 800 or 1,000 miles farther than the St. George Sound-Cumberland Sound route.

Mr. WILLIAM E. HULL. What I wanted to do was to see if you gentlemen could not get together. You can not have both of these routes. If you want a route across there, you ought to take the shortest one, whether it is through Georgia or through Florida. What I was trying to get at was whether you would use the Gulf for any part of the waterway. You can not use both.

Mr. LANKFORD of Georgia. We would use the Gulf part of the way, but it is apparent that if an inland waterway is to be constructed—

Mr. WILLIAM E. HULL. You do not go across the Gulf, but along the edge?

Mr. LANKFORD of Georgia. Yes; that is the idea.

Mr. Speaker, I want to incorporate in my remarks a splendid article from the pen of Mary Elizabeth Bishop, recently carried in the Southeast Georgian, and ask at this time unanimous consent to extend my remarks and include this article. I desire to read this excellent article, if possible, but I fear if I yield much more I shall not have time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. I would say to the gentleman from Illinois that the Okeechobee Canal does not conflict with the canal we are asking to be built. We go across the point where Florida makes off from the main body of the United States. If we go across Georgia and Florida both, it will be a saving of 800 to 1,000 miles.

Mr. WILLIAM E. HULL. That will depend on which way you want to go.

Mr. LANKFORD of Georgia. If we wanted to go to Key West from Savannah and return it would not, but if we are going from the Atlantic seaboard to the mouth of the Mississippi we must go around Florida or we must go across the peninsula. The proposed canal would go across my district and the district of the gentleman from Florida [Mr. GREEN], which are where the peninsula makes off from the mainland. If the canal is built it should be where there can be a saving of considerable distance. It should be across the isthmus rather than across the lower end of the peninsula.

Mr. WILLIAM E. HULL. If you build the canal you go through your district and the district of Mr. GREEN both.

Mr. LANKFORD of Georgia. That is the friendly controversy. Naturally each of us desire as much of it as possible in our respective districts.

Mr. WILLIAM E. HULL. That is what I wanted to find out, whether the canal will run in your two districts?

Mr. LANKFORD of Georgia. We are agreed on everything except the exact location. The engineers are to settle that question. Mr. GREEN would like it in his district and of course, I would like it in mine. But if we get the canal started in my district eventually it will have to cross Florida, because Georgia has no Gulf coast.

Mr. CRISP. Will the gentleman yield?

Mr. LANKFORD of Georgia. I will be glad to yield to my good friend from Georgia.

Mr. CRISP. If I understand the gentleman correctly, General Brown, the Chief of Engineers, has construed the authorization of January, 1927, as broad enough to provide for the survey of all feasible routes from Cumberland Sound to the mouth of the Apalachicola River including, among others,

through the gentleman's district one from Ocmulgee River at the northwest corner of Coffee County, through Ben Hill, Irwin, and other counties to the Flint River as well as others just north of this route through Ben Hill, Crisp, and other counties.

Mr. LANKFORD of Georgia. The gentleman is correct.

Mr. CRISP. I am very glad these surveys have been authorized and are to be made in the immediate future.

Mr. LANKFORD of Georgia. I thank the gentleman.

Mr. GREEN. Right there, if my friend will yield, such route as may be designated by the Board of Army Engineers as the most feasible is the route that my State is going to support, and I feel that my delegation will support it. The Georgia and Florida delegations, I am sure, will solidly support such route as the engineers may finally designate. I understand that the Mississippi Valley Waterways Association, the Atlantic Deeper Waterways Association, the Florida and the Georgia State Canal Commissions, and many other organizations have indorsed the project.

Mr. WILLIAM E. HULL. If the engineers determine on the route across there, you will all agree to it?

Mr. LANKFORD of Georgia. Yes. I am hoping, of course, that the Army engineers will recommend a canal through my district. But in spite of our preferences all will gladly stand to and abide by the ultimate and final decision of the engineers.

Mr. YON. How many bills are pending before the Committee on Rivers and Harbors for surveys of the route?

Mr. LANKFORD of Georgia. There are several bills pending, but the Chief of Engineers, under the authorization of 1927, has sufficient authority to conduct all these surveys, and we are not going to the Committee on Rivers and Harbors for more surveys at this time. We are trying to get before the engineers the routes we have in mind, but we are not trying to get any additional authorizations at this time. [Applause.]

Mr. Speaker, I am therefore truly happy to announce that General Brown, the Chief of Army Engineers, concurs with our construction of the general authorization and gives assurance that the entire field will be studied with the view of selecting the very best route from every standpoint.

I understand General Brown, Chief of Engineers, has made known to all who have made inquiry his intention to study all routes suggested by me as well as every other route that may be deemed at all available.

On February 11, 1930, the gentleman from Florida [Mr. GREEN] made a speech on the floor of the House, from which I quote the following:

Mr. GREEN. Mr. Chairman and my colleagues, I desire to speak to you briefly to-day about existing and proposed legislation which is of general interest to the country as a whole and of particular interest to my State. The first matter which I will discuss is the proposed canal across Florida, connecting the intracoastal waterway of the Atlantic Ocean with that of the Gulf of Mexico, or that program usually known as the intracoastal waterway from Boston to the Rio Grande.

In 1926 I introduced H. R. 8742, as follows:

"Be it enacted, etc., That the Secretary of War be, and he is hereby, required and directed to cause a preliminary examination and survey to be made for a barge canal beginning in Cumberland Sound and terminating at or near the mouth of the Mississippi River, using the nearest, most practicable, and most feasible route which will permit the use of the waters of the St. Marys River of Georgia and Florida, the Suwannee River and St. Georges Sound of Florida, and all other rivers and bodies of water along and adjacent to such route, and provide a protected all-inland canal.

"SEC. 2. That upon the making of such survey the Secretary of War shall report to Congress.

"SEC. 3. That the Secretary of War shall ascertain the feasibility and practicability of such barge canal and in his said report to Congress give full detailed estimate of cost of such canal, a description of proposed route, dimensions of the proposed canal, amount of actual canalizing, and every fact and circumstance which in his judgment will be necessary to convey full information as to such proposed barge canal."

We were able to incorporate the substance of this bill as an item in the 1927 rivers and harbors bill, which passed the Congress and became a law. Under the provisions of this bill an extended survey of the across-Florida canal is now well under way, and, in fact, we believe is almost concluded. From recent conferences which I have held with members of the House Rivers and Harbors Committee and with Major General Brown, Chief of the Board of Army Engineers, we believe that a report will soon be made by the Board of Army Engineers. We have been desirous of giving to the Board of Army Engineers full latitude in the survey, with the hope that after its best study and survey that a favorable report from the board may be had. In order to obtain the full interpretation of the 1927 act by the Chief of the Board of Army Engineers recently I wrote a letter to General Brown, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 30, 1930.

Maj. Gen. LYTLE BROWN,
Chief Board of Army Engineers,
War Department, Washington, D. C.

DEAR GENERAL BROWN: In 1927 I introduced a bill which was included in the rivers and harbors bill, providing for a survey of a canal across Florida from Cumberland Sound on the Atlantic via St. Marys, Okefenokee, and Suwannee Rivers to the Gulf of Mexico.

I wish you would please advise me whether, under this provision, a complete and detailed physical survey can and will be made. For fear that same could not be made under this legislation I introduced another bill October 21, 1929, copy of which is herewith inclosed. My purpose is to obtain a full and complete physical survey of this route. Will you please advise me whether enactment of the inclosed bill is necessary?

I shall also appreciate anything that you may be able to do to the end that existing survey of this route is expedited and report promptly made.

Sincerely yours,

R. A. GREEN,
Member of Congress.

Recently I have received from General Brown the following reply:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, February 3, 1930.

Hon. R. A. GREEN,
House of Representatives, Washington, D. C.

MY DEAR MR. GREEN: 1. Allow me to acknowledge receipt of your letter of January 30, 1930, relating to the survey of a waterway from Cumberland Sound on the Atlantic coast across Florida and thence to the Mississippi River.

2. In reply it is desired to state that the river and harbor act approved January 21, 1927, contained an item authorizing a preliminary examination and survey of "waterway from Cumberland Sound, Ga. and Fla., to the Mississippi River." The duty of making the preliminary examination was assigned to a special board of officers, of which Lieut. Col. Mark Brooke, 212 Customhouse, New Orleans, La., is the senior member. It is now expected that the report on the preliminary examination will be ready for submission to this office about March 1, 1930.

3. Further legislation at this time is not considered necessary, as under the present authorization all feasible and practicable routes will be investigated and reported upon.

Very truly yours,

LYTLE BROWN,
Major General, Chief of Engineers.

Mr. Speaker, it will be observed that General Brown says that he intends to investigate and report upon "all feasible and practical routes" under the authorization for a survey of "waterway from Cumberland Sound, Ga. and Fla., to the Mississippi River" as contained in river and harbor act of 1927.

During one of my many helpful conferences with the gentleman from Georgia [Mr. EDWARDS], of the Rivers and Harbors Committee, I found he has a letter from General Brown expressing the same purpose to survey the entire field in order to determine the most practical route.

The letter from General Brown to my colleague [Mr. EDWARDS] is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, January 28, 1930.

Hon. CHARLES G. EDWARDS,
House of Representatives, Washington, D. C.

MY DEAR MR. EDWARDS: 1. The receipt is acknowledged of your letter dated January 22, 1930, requesting information regarding a survey for a waterway connecting the Atlantic intracoastal and the Gulf intracoastal waterways.

2. In reply you are informed that the river and harbor act approved January 21, 1927, contains an item authorizing a preliminary examination and survey of "Waterway from Cumberland Sound, Ga. and Fla., to the Mississippi River." The duty of making the preliminary examination for this waterway was assigned to a special board of engineer officers, of which Lieut. Col. Mark Brooke, 212 Customhouse, New Orleans, La., is the senior member. It is thought that the report on the preliminary examination will be submitted to this office about March 1, 1930. This is the investigation to which, it is thought, you refer.

3. In regard to your inquiry as to whether this survey is sufficiently broad to cover all feasible and practicable routes, it may be stated that since the act does not specifically designate any particular route, the investigation will cover all routes which may be deemed worthy of consideration.

Very truly yours,

LYTLE BROWN,
Major General, Chief of Engineers.

On January 29, 1930, I wrote General Brown as follows:

JANUARY 29, 1930.

Gen. LYTLE BROWN,
Chief of Engineers, War Department, Washington.

DEAR GENERAL BROWN: Being very much in favor of a canal across south Georgia and north Florida, and desiring the immediate determination of the most practical route, I am seeking and urging a study, comparative reconnaissance, and survey of the entire field of south Georgia and north Florida, with the view of determining the most practical and easily constructed route connecting the intercoastal waterway of the Atlantic with that of the Gulf of Mexico.

Primarily, this is an engineering problem. I have introduced two bills seeking the survey of several routes, some of which could be constructed at much less expense, but might not be as desirable from every standpoint as a more expensive route or routes. I am seeking such surveys as will enable Congress to determine which route should be adopted for this canal. In the last Congress I introduced a bill authorizing the survey of several routes, and on March 1 of last year I put in the CONGRESSIONAL RECORD a discussion of my bill and a map showing the location of the proposed routes.

I had one conference with the Corps of Engineers in Jacksonville, Fla., and several conferences with the Chief of Engineers in Washington, at all of which conferences I urged that the authorization contained in the rivers and harbors act of January 21, 1927, for an examination and survey of a waterway from Cumberland Sound, Ga. and Fla., to the Mississippi River is broad enough to cover a study of the whole field, including all routes proposed by me and pointed out specifically by the map placed in the RECORD on March 1, 1929.

When I allowed this authorization to be inserted in the river and harbor act of January 21, 1927, without proposing an amendment, it was with the opinion on my part that legally it authorized a survey of the entire field. On June 21 of last year, I wrote your office making further inquiry as to the interpretation placed by your office on the authorization just mentioned. On the 27th of June, 1929, I received a reply to my letter as follows:

"1. Permit me to acknowledge receipt of your letter of June 21, 1929, together with its accompanying copy of the CONGRESSIONAL RECORD for March 1, 1929, relative to routes for a proposed ship canal across Georgia and Florida.

"2. In reply it is desired to state that a copy of your remarks appearing in the CONGRESSIONAL RECORD of March 1, 1929, under the caption 'Ship Canal Across Georgia and Florida,' was forwarded to Colonel Brooke early in March, for consideration by the special board in its studies of a waterway between the Cumberland Sound and the Mississippi River.

"3. The authorization contained in the river and harbor act of January 21, 1927, for an examination and survey of a waterway from Cumberland Sound, Ga., and Fla., to the Mississippi River, is believed to be amply broad to permit study and consideration of the various routes suggested by you in the CONGRESSIONAL RECORD. The department intends that reconnaissance will be made of the several routes and discussion thereon will be presented in the report on preliminary examination now in course of preparation."

In response to a letter from me I received from the district engineer at Jacksonville, Fla., a letter, written November 13, 1929, from which I quote:

"As you know, the preliminary examination now in progress is in the nature of an economic study to determine whether a survey should be made. The physical advantages of various routes will be more carefully studied in connection with the survey should it be recommended."

I also quote the conclusion of this letter, which is as follows:

"When this matter is again under consideration, the board will be glad to hear from any citizens whom you suggest. Should the board find it advisable to make a further reconnaissance of the physical features in connection with the preliminary examination, your suggestions will be borne in mind."

Another river and harbor bill is soon to be enacted, and I am anxious that such additional authorization be granted as may be necessary for a comparative study of the entire field and such surveys of the various proposed routes as may be necessary for a report as to the advantages and disadvantages of each from a construction standpoint and as a canal when completed. Also, I am seeking all possible information as to the advantages of these various routes in the way of flood control, drainage, prevention of erosion, and developments of hydroelectric power.

I will appreciate very much a letter advising me (a) what progress has been made with these surveys under the authorization contained in the last river and harbor act, (b) what further surveys of the proposed routes are contemplated under said act, and (c) whether or not any further authorization is necessary in pending river and harbor bill to authorize the studies and surveys herein mentioned as being desired.

I will appreciate your early consideration of this matter so that I may seek such additional authorizations, if any, as may be necessary.

Sincerely yours,

W. C. LANKFORD,
Member Congress Eleventh District Georgia.

In reply to this letter General Brown, on the 20th day of February, 1930, wrote me as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, February 20, 1930.

Hon. W. C. LANKFORD,
House of Representatives, Washington, D. C.

MY DEAR MR. LANKFORD: 1. Having further reference to your letter of January 29, 1930, relating to the matter of studies for a canal across south Georgia and north Florida, in which you are so much interested, allow me to advise you as follows:

2. The special board, in its studies of a waterway between Cumberland Sound and the Mississippi River, is giving consideration to every possible route across Florida and south Georgia, including the routes that have been suggested by you and described in the CONGRESSIONAL RECORD of March 1, 1929. Lieut. Col. Mark Brooke, senior member of the special board, is conversant with and alert to the great interest in Georgia and Florida in this project. Investigation and discussion of the practicability, relative cost, and advantages of the several routes considered are being based on field reconnaissances made by and under the direction of the board, and on review of all pertinent data obtainable.

3. Upon receipt of the report in this office, which it is expected will be submitted in March, it will be promptly referred to the Board of Engineers for Rivers and Harbors for review as required by law. The question of whether more complete instrumental surveys are to be made will depend on this review.

4. No further authorization by Congress is necessary, as the Chief of Engineers has authority to order such detailed surveys as may appear desirable and necessary of any or all of the routes which have been proposed.

Very truly yours,

LYTLE BROWN,
Major General, Chief of Engineers.

Mr. Speaker, a short while ago the Southeast Georgian, of Kingsland, Ga., carried a splendid article from the pen of Mary Elizabeth Bishop, and while I honestly take issue with her on the availability of the whole of certain streams for canal purposes, I was so much impressed with the merit of her article that I desire to perpetuate it in the RECORD for the use of Congress and the country.

The article in whole is as follows:

THE IMPORTANCE OF THE PROPOSED ST. MARYS-ST. MARKS CANAL

The importance of connecting the Gulf of Mexico with the Atlantic Ocean, across the States of Georgia and Florida, from Cumberland Sound on the Atlantic coast to St. Georges Sound on the Gulf, through the St. Marys, Suwannee, and St. Marks Rivers, which traverse three-quarters of the distance, was recognized 50 years ago, when the War Department ordered a survey as a military measure, and this was made by Lieut. Col. C. K. Gilmore in the years 1876-77, who strongly recommended the construction of this canal.

This inland waterway has become an economic necessity to bring an ocean port to the Central West, avoiding the hazards of the Gulf.

We have practically completed an inland waterway down the entire Atlantic coast, another along the Gulf of Mexico to the Mississippi River, but the connecting link is missing. The time has now arrived to supply this connection. This would create one of the largest land-locked harbors in the world, of unequalled national importance, with facilities both for the railroads and the Atlantic-to-the-Mississippi canal.

Three great trunk-line railway systems of the Southeast—Southern, Seaboard, and Atlantic Coast Line, besides interesting the Atlanta, Birmingham & Atlantic—would connect with this port terminal by the construction of but a few miles of rail.

The similarity between the harbor at Hamburg, one of the greatest of the world, and constructed at the expense of many millions of dollars, and the one possible at Cumberland Sound, which would cost practically nothing, is the same rise and fall of the tide, about 6½ feet, allowing ships to lie in open basins, not having to be locked in, as is necessary at London and Liverpool. There is, without the expenditure of any money, approximately the same depth of water, 23½ feet at low and 30 feet at high tide for the shallow part of the channel at St. Marys, as at Hamburg.

At the entrance of Cumberland Sound the Government has already constructed great jetties extending out several miles into the ocean, at a cost of over three and a half million dollars, to wash out the channel of St. Marys River, which discharges over a half a billion cubic feet of water daily.

The Admiralty harbor at Dover, England, which played such a conspicuous part during the World War as headquarters of the Dover patrol, constructed at a cost of \$25,000,000, has been handed over to the Dover Harbor Board for commercial purposes. This harbor inclosed 610 acres of water and housed the fleet which conveyed troops and ammunitions across to France.

Cumberland Harbor would have about 20,000 acres of water and at practically no cost.

Our neighbor, Canada, realizing the urgent need of a waterway to the sea, has been working nearly 30 years on the Welland Canal, connecting the Great Lakes, Erie and Ontario, at an enormous expenditure of money and great engineering difficulties. The length of this canal is but 25 miles.

By the utilization of our natural waterways—the St. Marys, Suwannee, and St. Marks Rivers—200 miles of canal could be completed at a minimum of their cost, in a comparatively short time and with practically no engineering difficulties, to St. Georges Sound or Apalachicola Bay, where nearly a million dollars has been appropriated for improvements along this inland route, and the Government has recently built a canal connecting the Apalachicola River with St. Andrews Bay, costing \$500,000.

The intracoastal route along the northern edge of the Gulf of Mexico connects all rivers flowing southward in that section, thence through the proposed Atlantic to the Mississippi canal into Cumberland Sound, joining with the Atlantic Coastal Inland Waterway and completing the link which joins the whole Atlantic Coast with the Mississippi and its tributaries.

Ships will be able to come into this new harbor without either pilot or towboat. The port will form a transportation funnel through which half of the products of this country will naturally move, creating a great import and export market for raw products and manufactured goods of the Central West, developing a fuel-oil harbor, providing a fuel and repair port on the Atlantic Coast, 500 miles nearer the Panama Canal than Norfolk. Here the wings of commerce will take flight in every direction, even in the air.

When our present inland waterways are analyzed one finds substantial and extensive work has been accomplished. Strong links with weak ones are in operation, accomplishing astonishing results against the railroads' untiring efforts to secure and hold a monopoly of all transportation. Startling facts have been revealed by a survey conducted by the Intermediate Rate Association, representing every business and farm interest of 10 western Mountain States in a campaign for national legislation to wipe out railroad discrimination in freight rates throughout the entire West and in all parts of the Southeast where the railroads are fighting the boats. This condition exists because the Interstate Commerce Commission has permitted the railroads, generally, to violate the long and short haul clause of the fourth section of the transportation act making temporary cutthroat rates between cities on the seaboard or on navigable streams. The Congress has passed the Gooding bill, 2327, to eliminate unjust discrimination.

Europe, confronted with the problem of supporting her people in a restricted area, can not afford the extravagance and waste of natural resources as do we, still she masters her intricate problems and for ages has recognized the enormous possibilities of waterways, systematically and strategically forging forward for commerce and defense. The construction of the Atlantic-to-the-Mississippi canal would bring into use 15,000 miles of navigable streams, besides draining the central and southern section of the United States, restoring the fertile land, and preparing for exploration and preservation this veritable wonderland of America, the great Okefenokee Swamp.

It would cut off nearly a thousand miles of sea travel around the Florida peninsula, would save a vast amount of grain shipments, avoiding the overheating in the Gulf Stream, besides the menace to life and commerce of the dangerous Gulf of Mexico.

The Atlantic-to-the-Mississippi canal will benefit the United States as a whole more than any other single project since the construction of the Panama Canal, which during the first decade of its operation provided an interoceanic short cut for approximately 28,000 vessels, of which 25,600 were commercially operated and 2,500 Government owned. The commercial vessels, it is estimated, carried 111,000,000 tons of cargo and paid toll aggregating \$100,000,000.

The Panama Canal bears the distinction of being one of the very few Government-operated enterprises to pay a profit.

Taken from a statement of Gov. Jay J. Morrow, of the Canal Zone, the first nine years this waterway was opened to traffic it collected a total of \$76,640,000.

The business of operating the canal then was paying about half a million dollars a month, or about 3 per cent on the investment, and stated: "It is apparent that in no distant future the project will pay for itself." He said that competent engineers asserted the canal would be adequate for traffic for many years to come. In due time, he asserted, if warranted, the proceeds from this canal could be used in constructing another canal across the Isthmus.

What the great Panama and Suez Canals are to the world the Atlantic-to-the-Mississippi canal would be to this country.

MARY ELIZABETH BISHOP,
St. Marys, Ga.

NOVEMBER 10, 1925.

CALENDAR WEDNESDAY BUSINESS

The SPEAKER. The Clerk will call the committees.
The Clerk called the Committee on Banking and Currency.

AMENDMENT TO SECTION 22 OF THE FEDERAL RESERVE ACT

Mr. McFADDEN. Mr. Speaker, I call up the bill (H. R. 9683) to amend section 22 of the Federal reserve act.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

H. R. 9683

A bill to amend section 22 of the Federal reserve act

Be it enacted, etc., That section 22 of the Federal reserve act be amended by adding at the end thereof the following language:

"(g) Whoever maliciously, or with intent to deceive, makes, publishes, utters, repeats, or circulates any false report concerning any national bank, or any State member bank of the Federal reserve system, which imputes or tends to impute insolvency, or unsound financial condition, or financial embarrassment, or which may tend to cause or provoke, or aid in causing or provoking, a general withdrawal of deposits from such bank, or which may otherwise injure, or tend to injure the business of good will of such bank, shall be deemed guilty of a misdemeanor and shall upon conviction in any court of competent jurisdiction be fined not more than \$5,000 or imprisoned for not more than five years, or both.

"(h) If two or more persons conspire to violate the above provision, or to boycott, or to blacklist, or to cause a general withdrawal of deposits from, or to cause a withdrawal of patronage from, or otherwise to injure the business or good will of any national bank, or any State member bank of the Federal reserve system, and one or more of such parties do any act to effect the object of such conspiracy, each of the parties to such conspiracy shall be deemed guilty of a misdemeanor and shall upon conviction in any court of competent jurisdiction be fined not more than \$5,000 or imprisoned for not more than five years, or both."

With committee amendments as follows:

Page 1, line 5, strike out the word "or."

Page 2, line 10, strike out the words "may tend" and insert the word "tends."

Page 2, line 1, strike out the words "or which may otherwise injure, or tend to injure the business or good will of such bank."

Page 2, line 5, strike out "\$5,000" and insert "\$1,000."

Page 2, line 6, strike out "five years" and insert "one year."

Page 2, line 8, strike out "or to boycott, or to blacklist."

Page 2, line 9, strike out "or to cause a withdrawal of patronage from or otherwise to injure the business or good will of."

Page 2, line 16, strike out "\$5,000" and insert "\$1,000."

Page 2, line 17, strike out "five years" and insert "one year."

Mr. McFADDEN. Mr. Speaker, before attempting to explain briefly this bill, I would like to ask the gentlemen on the other side if they desire time?

Mr. WINGO. I think it might be wise not to limit the time of general debate.

Mr. McFADDEN. I think, Mr. Speaker, we are entitled under the rule to one hour's time. I will say to the gentleman from Arkansas that I would gladly yield to him half of that time, and if he desires more I will ask that the time be extended half an hour.

Mr. WINGO. I suggest that the gentleman request that general debate shall proceed not exceeding one hour and a half, at the end of which time the previous question shall be considered as ordered. How are you going to divide the time?

Mr. McFADDEN. I have not much demand, I will say, from Members on this side. Does the gentleman from Iowa [Mr. RAMSEYER] desire some time?

Mr. RAMSEYER. Yes. Mr. Speaker, my attention was called to this bill this week.

I want to say that slander against a bank, national or State, is not a crime in my State and many other States. The bill seeks to make slander against a national bank a crime, when slander is not a crime in most States against a State bank. In other words, the bill undertakes to write upon the statute books another Federal offense. The House well knows my attitude on multiplying Federal offenses. We have more Federal offenses now than we can prosecute and punish.

Then the language of the bill is peculiar. I think it ought to be thoroughly explained. I certainly would be opposed at this time to the proposal that at the end of general debate the previous question should be ordered. That would mean that no amendments, not even committee amendments, would be considered and debated, much less amendments that might be offered from the floor of the House.

There is language in this bill that is absolutely meaningless. I doubt if any member of the committee could explain it, and certainly we ought not to put on the courts the duty of explaining language that we enact here which the committee in charge has not explained or can not explain.

However, my mind is still open on this bill, and I want the author or the chairman to explain it fully and give the definition of each word in this bill and indicate just how it will likely be considered by the courts, so that we can vote intelligently for or against the bill.

I doubt whether an hour and a half will be long enough. The length of time that I shall want on this bill depends altogether upon the committee's showing of the need of legislation of this kind.

Why make this a Federal offense? What is the urgent necessity for it, and how will it operate?

Mr. WINGO. I suggest that we extend the time, then.

Mr. RAMSEYER. The chairman of the committee referred to me and asked me what time I wanted. I had to make this explanation to let him know the time I would want will depend on how convincing a showing the committee makes for the need of this legislation.

Mr. McFADDEN. The chairman is ready to give to the gentleman all the time he wants.

Mr. RAMSEYER. I know the chairman is liberal. He has not only to-day, but he has next Wednesday if he needs it. I think this bill ought to be thoroughly debated before a full House, and not with a membership of about 25 per cent present. If we keep a good attendance here, then when it comes to a vote Members will not be rushing in and inquiring, "What is our vote?" They will not have to be told to vote so and so in order to stand by the committee. I want them to stay here so they can exercise an independent judgment and cast a vote for the best interests of the country.

Mr. WINGO. Mr. Speaker, I withdraw my request. What I was trying to do was to get additional time, but if there is going to be objection I withdraw the request.

Mr. STEAGALL. But the gentleman has not objected.

Mr. RAMSEYER. I stated I would object to that part of the gentleman's request ordering the previous question after general debate is concluded.

Mr. WINGO. All right. If that is not done, the gentleman from Pennsylvania will move the previous question, and the gentleman can force a roll call if he wants to do so. Then Members will come in, as the gentleman has suggested, the previous question will be voted, and it will simply discommode a lot of Members by forcing a roll call. That is all there is to it.

Mr. RAMSEYER. Well, I can discommode them right away if I think it necessary.

Mr. WINGO. All right. Mr. Speaker, I ask unanimous consent that my colleague—

The SPEAKER. The Chair understands that the gentleman from Pennsylvania yields to the gentleman from Arkansas?

Mr. McFADDEN. I yield.

Mr. WINGO. I ask unanimous consent that, while they are trying to reach some agreement, my colleague, the gentleman from Arkansas [Mr. DRIVER] may proceed for 20 minutes on a matter that came up yesterday with reference to the Federal Trade Commission, such time not to be taken out of the time on this bill.

The SPEAKER. The gentleman from Arkansas asks unanimous consent that the gentleman from Arkansas [Mr. DRIVER] may be permitted to address the House for 20 minutes. Is there objection?

There was no objection.

THE FEDERAL TRADE COMMISSION AND THE COTTONSEED-OIL TRUST

Mr. DRIVER. Mr. Speaker, in the course of the remarks made by the gentleman from Texas [Mr. PATMAN] before the Rules Committee, as presented in the printed hearings, and again on two occasions on the floor, reflections are in my opinion cast on the official conduct and, possibly, on the personal integrity of a member of one of the important Federal commissions. The characterizations are such that I feel a very serious charge is made against one of the members of that body with whom I have enjoyed for more than 40 years an intimate personal acquaintance, and I know the reputation this man bears in the State of his former official duties and responsibilities. Such attitude does not square with the conduct of that man, and I believe I would be remiss to the duty which I feel would grow out of the friendship I cherish for him should I withhold the statements I am about to make to this House.

Judge Edgar McCulloch spent his long and useful life in the course of the practice of his profession and in the discharge of his official duties in my State and was long a resident of the district I represent. The man's life while he was engaged in the practice of the law was one of the most useful that I could conceive. Not only was he a man of a high sense of honor, but actively engaged in promoting the social well-being and the extension of the civic affairs of his community. The first offi-

cial duty devolving upon him came when he was called to the supreme court of my State, where, by reason of his splendid knowledge of the law, his high ideals, and the clear-cut decisions he rendered, he was promoted, becoming chief justice of the supreme court of that State, where he served with distinguished ability until called from that exalted station to a place on the Federal Trade Commission of our Nation.

Judge McCulloch's character and his reputation with those people were such that he would have continued filling that office so long as he cared to discharge its duties. The people feel they were deprived of one of their most useful servants when he was called from that station and was employed in the high duties devolving upon him as a member of the Federal Trade Commission.

I regret very much the necessity of asking for this time of this House, because of my conception of the value of the important work engaged in by the gentleman who is responsible for this request. It is a matter of very great importance to the welfare of the people from which both he and I come, but Judge McCulloch came from that same environment and is personally interested in the production of the products that are involved in the resolution which the gentleman seeks to bring before this body. This man's life was spent in such environment, so that naturally his sentiment would be entirely in that direction. His whole life is such as to make it a matter of impossibility that Judge McCulloch should have been drawn either deliberately or that the high intelligence of the man—

Mr. PATMAN. Will the gentleman yield right there?

Mr. DRIVER (continuing). Would render it impossible for him to have been hoodwinked.

Now, I will say to the gentleman, ordinarily I would like to complete my remarks within the limited time without being interrupted, but as I am discussing the remarks of the gentleman, as a matter of courtesy, I will yield to you at any time.

Mr. PATMAN. The gentleman realizes that the resolution would permit the exoneration of the judge in the event he is not guilty of any of the charges, does he not?

Mr. DRIVER. As a matter of course, that is true.

Mr. PATMAN. Well, let me ask one other question. Admitting that is true, will you go to the Rules Committee and ask them to vote out that resolution and let us have the investigation, so the judge can be exonerated? Do you not think it would be much better for him than to leave it like it is?

Mr. DRIVER. So far as the investigation of the industry is concerned, I will say yes; I will make that request.

Mr. PATMAN. I am talking—

Mr. DRIVER. But in so far as any investigation pertaining to the official conduct or any charge made against this man, whom I know so well, is concerned, I will say I will not add my voice to anything that will embarrass him.

Mr. PATMAN. Let me ask the gentleman this question: The eighth charge in my resolution states that the investigating committee shall determine whether the Federal Trade Commission of the United States has assisted, aided, or otherwise encouraged representatives of cottonseed-oil mills in fixing the price of cottonseed or in entering into agreements the effect of which was to fix the price of cottonseed or do any act in violation of the laws of the United States or detrimental to the interests and rights of the growers of cottonseed. Now, if this is true, you want to know it, do you not, Mr. DRIVER?

Mr. DRIVER. Yes, sir.

Mr. PATMAN. And if it is not true, you want the judge exonerated, as well as the other members of the commission?

Mr. DRIVER. Yes, sir; but I am not asking this House to create a commission to make this investigation, when the record itself speaks absolutely in such language that any man who runs may read.

Here is a matter that especially addresses itself to me, in reply to a question by Mr. THURSTON at the hearings before the Rules Committee, to this import:

Do you claim that there is or was a criminal conspiracy on the part of some of the officials in the Federal Trade Commission with these manufacturers?

Your answer to that was:

No, sir; I do not. I do not claim there is any criminal conspiracy, but I do claim there was such a gross neglect of duty that they are guilty of malfeasance in office.

Now, evidently that statement made by you, sir, was predicated on the record that you have in your possession, and that you have designated as one that came from a reporter that was drawn to this work from Wall Street. I do not know why that reference was made. I do not know why a reporter from Wall Street should not bring to us that same ability—

Mr. PATMAN. Will the gentleman yield? There was no reference by me, intentionally, to a Wall Street reporter. If there was anything said about that, it was not said by me.

Mr. DRIVER. Have you read the printed proceedings recording your remarks?

Mr. PATMAN. The printed proceedings should state that the secretary of the Federal Trade Commission furnished me with a transcript at my request, and that is where I got it.

Mr. DRIVER. You did state that; but in addition to that you injected into the remarks, or the reporter—

Mr. PATMAN. Just read exactly what I said from the report.

Mr. DRIVER. I will be very glad to do that. I have not your remarks here, but I call your attention to the fact that they are in the reported record and—

Mr. PATMAN. The gentleman has quoted what he claims to be specific remarks made by me, and I call on him now to read them and let my remarks speak for themselves.

Mr. DRIVER. I have not your remarks made in the House, but I will be glad to furnish them to you, sir.

Mr. PARKS. Are the remarks which the gentleman made yesterday in the Record?

Mr. DRIVER. No; they are not.

Mr. PARKS. It is no fault of yours if they are not in the Record.

Mr. PATMAN. He is talking about the remarks before the committee.

Mr. PARKS. I know what he is talking about.

Mr. DRIVER. This is what I want to say to you: This charge made by the gentleman from Texas [Mr. PATMAN] indicts every member of the Federal Trade Commission of malfeasance in office. This includes the man whom I am discussing. I am not acquainted with the other members of that commission, the associates of Judge McCulloch, but I can say that if they are of the same high type of manhood, integrity, and intelligence, that remark should never have been made by any Member of this House or by anyone connected in an official way with the administration of the affairs of this Nation.

Mr. PATMAN. On that point will you yield there, Mr. DRIVER?

Mr. DRIVER. Yes; I will yield at any time.

Mr. PATMAN. Do you approve of what the Federal Trade Commission—

The SPEAKER. The Chair would like to call the attention of both gentlemen to the rule of the House which provides that one Member should address the other in the third person.

Mr. PATMAN. Yes; I desire to apologize. I would like to ask the gentleman this: Does the gentleman approve of what the Federal Trade Commission did in holding this Federal Trade Commission conference for the cottonseed-oil industry and later in approving the agreements that were entered into there? Does the gentleman approve of that?

Mr. DRIVER. I do not feel it is necessary for me to make answer to that statement other than to give to the Members of this House the actual occurrence at that trade conference.

Mr. PATMAN. Mr. Speaker, will the gentleman yield further?

Mr. DRIVER. I will be glad to.

Mr. PATMAN. Does the gentleman refuse to state that he does or does not approve of what has been done in this conference?

Mr. DRIVER. I will say to you that in so far as the record is concerned, I can see no justification for disapproval, and I say now to you that that record in no manner reflects the organization of a trust, and I am prepared now—

Mr. PATMAN. Will the gentleman yield further?

Mr. DRIVER. Yes, sir.

Mr. PATMAN. Was the gentleman present yesterday when Mr. SNELL, the chairman of the Committee on Rules, admitted that the Attorney General of the United States had persuaded them to quit violating the law?

Mr. DRIVER. I was not.

Mr. PATMAN. The gentleman was not?

Mr. DRIVER. No.

Mr. COX. Will the gentleman yield to me?

Mr. DRIVER. But I will say this to my friend from Texas: Notwithstanding what happened at Memphis, there may be an understanding on the part of the Cottonseed Crushers' Association through which they control the price structure, and to the extent of that investigation I do indorse your theory and the necessity for doing it; but I am disputing the construction you place on the action of Judge McCulloch at the Memphis trade conference.

Mr. COX. Will the gentleman yield?

Mr. DRIVER. I will yield.

Mr. COX. I have given considerable study to this subject, and I approve in a general way of the assertion made by the gentleman from Texas [Mr. PATMAN] that a monopoly by the cottonseed-crushing interests has been established. However, I do not say that there is anything culpable or that fairly could be charged as culpable in the participation of the Federal Trade Commission in this conversation in which they did participate. If the gentleman has looked through the minutes of that meeting—

Mr. DRIVER. I have them here.

Mr. COX. He will find in the statement made by Judge McCulloch observations which are altogether to the credit of the Federal Trade Commission. The commission has taken pride in the work it has done in bringing these units into agreement that is designated as trade-practice agreements. If the gentleman has read the rules that were adopted, the code of ethics adopted by the cottonseed crushers, and that part of the rules approved by the commission, and those parts accepted by the commission as trade-practice rules, I think he will not find anything in them which of themselves indicate any intent or purpose on the part of the commission, or any inclination on the part of the commission, to join with the trade in the establishment of a system of practices which would operate against the public interest.

I think he will find that the whole purpose of the commission in participating in these conferences was, as declared by the commissioner, to stabilize the industry as well as protect and serve the interest of the farmers who produce the raw commodity to be crushed. Therefore, the criticism made of the commission that it was a party to an improper sort of an agreement seems unfair.

Mr. DRIVER. Unfair and unwarranted.

Mr. COX. If there is any criticism to be attached to the commission it grows out of the fact that as the result of these rules the cottonseed crushers have abused the confidence reposed in them by the commission in that they have so conducted their business under the rules as to work a hardship upon the farmer throughout the cotton belt.

Mr. DRIVER. As I said, not because of what occurred in the conference, but notwithstanding what occurred there. This is the situation that I want to present. If the man coming from that environment had permitted himself with his intelligence to be made a cat's-paw by the Memphis conference he is in the attitude of being a fool or else his conduct was venal, and I want to say that this man is neither a fool nor a knave. Therefore the charges that have been pressed on the floor repeatedly here are entirely without justification.

Let me say further that I do not know how many members of the commission were on the commission when the practice of holding these trade-practice conferences were initiated by the commission. Prior to this time I find that the rule of the commission was to wait until complaint was made in an industry whereupon the commission called for a trade-practice conference, and then made its investigations in that particular line, heard complaints and made an effort to cure it.

Mr. PATMAN. Will the gentleman yield?

Mr. DRIVER. I will.

Mr. PATMAN. Does the gentleman realize that there was not a complaint against a representative of the industry and had not been for two years?

Mr. DRIVER. That is true, and I will explain that. The gentleman's letter from Judge McCulloch declares that. In 1919 the commission as then organized had the idea that they could perform a more useful service by inviting those engaged in the industry to hold meetings, and at the invitation of that industry would send a representative of their commission to preside over the meeting and enter into a general discussion of their affairs. So from 1919 they, with the approval of the commission, and notwithstanding the fact, I will say to the gentleman from Texas, that he stated that the Federal Trade Commission called the Memphis meeting, while the evidence is just to the contrary, that the Cottonseed Crushers' Association called the meeting and invited the Federal Trade Commission to have a representative sit in with them.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. Not until I give the gentleman the record about that, and possibly save his question.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman may have 15 additional minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent that the gentleman from Arkansas may have 15 minutes additional. Is there objection?

Mr. McFADDEN. Mr. Speaker, reserving the right to object, and I do not intend to object, I ask unanimous consent that when the gentleman concludes, I have 30 minutes in which to address the House, and that that time shall not be taken out of the time allotted to me on the bill under the rule.

The SPEAKER. On a subject other than that of the bill?

Mr. McFADDEN. Yes.

Mr. PATMAN. Mr. Speaker, and I ask unanimous consent that I may have 10 minutes in which to discuss this after the gentleman from Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Texas that the gentleman from Arkansas be granted 15 minutes additional?

Mr. BRAND of Georgia. Mr. Speaker, reserving the right to object, I want to know when we are going to get to the business of the day. There are some bills before the House that the committee thinks are of importance. I am not going to object to the gentleman from Arkansas proceeding—

Mr. DRIVER. I thank the gentleman for that courtesy.

Mr. BRAND of Georgia. But I must object to the gentleman from Texas taking any more time on this subject to-day. Let us get to the Banking and Currency Committee business.

The SPEAKER. Is there objection to the request of the gentleman from Texas that the gentleman from Arkansas proceed for 15 minutes?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that, at the conclusion of the address of the gentleman from Arkansas, he may be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. PATMAN] asks unanimous consent that at the conclusion of the address of the gentleman from Pennsylvania he may be permitted to proceed for 10 minutes. Is there objection?

Mr. BRAND of Georgia. Mr. Speaker, I object, because the gentleman from Pennsylvania is going to discuss banking and currency matters, as I understand it.

Mr. PATMAN. Then I ask unanimous consent that I may be permitted to address the House for 10 minutes after the gentleman from Arkansas concludes.

Mr. McFADDEN. I have no objection to that.

The SPEAKER. The gentleman from Texas asks unanimous consent that he may have 10 minutes immediately after the conclusion of the address of the gentleman from Arkansas, which will be followed by the gentleman from Pennsylvania. Is there objection?

Mr. BRAND of Georgia. Mr. Speaker, is the gentleman from Pennsylvania yielding to the gentleman from Texas 10 minutes of his 30 minutes?

Mr. McFADDEN. I am not.

Mr. BRAND of Georgia. I shall have to object, Mr. Speaker. I am going to leave the city to-morrow on very important business, and I would like to get to one of these bills this afternoon. However, I will withdraw the objection.

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. DRIVER. Mr. Speaker, I want to call the gentleman's attention to the language of a representative of the Crushers' Association at the beginning of the Memphis meeting:

On behalf of the interested associations, the Cottonseed Crushers' Association and the State associations represented here, and speaking for the members of the industry who are affiliated, I wish to express our appreciation of the Federal Trade Commission granting this Federal trade practice conference and sending to them a representative.

I do not feel that I am capable of saying how valuable these trade conferences are. I have not familiarized myself either with the character of work or the effect of that work, but I am prepared to presume that the purpose is a good one and that it should be continued. If it is not, then it should be discouraged, if not destroyed. But here is something I want specially to present within the limited time I have left, and that is the attitude of Judge McCulloch, the presiding officer for the Trade Commission. At the very inception of that conference Judge McCulloch said this:

It is the policy of the Federal Trade Commission to encourage these meetings. For a long time it was the practice not to have meetings. They were not thought of in the early stages of the operation of the Trade Commission. The only thing they did, whenever they found business men, any member of an industry, violating the law by indulging in unfair methods of competition was to file a complaint against him and try it out before the commission. The commission very greatly prefers that every industry should purge itself of any unfair methods of competition. * * * Whenever there is such a meeting the com-

mission sends a presiding officer to help you; that is, the industry itself acting voluntarily.

Then he discussed the matter of jurisdiction and said further:

I want you to understand in the beginning that I am only giving to you my personal advice. The commission is not bound by anything that I may say. Whatever you do here is to be submitted to the Federal Trade Commission. I suppose to some extent that has already been explained to you, but I do not apprehend that you are going to pass anything to-day that will in appearance meet the disapproval of the Trade Commission. I feel sure that taking care of your own interests, your identity with the welfare of the South at large will prompt you to take care of the public interests, of the selling interests, as well as your own.

Mr. PATMAN. Mr. Speaker, will the gentleman yield on that point?

Mr. DRIVER. Yes.

Mr. PATMAN. Judge McCulloch in making different reports has, at least in one instance, said that the interest of the public at these Federal trade practice conferences is represented not only through the commission's participation, but also through its policy of calling consumers into the conference. Does the gentleman know whether or not any consumers or farmers were called into that conference?

Mr. DRIVER. I do not.

Mr. PATMAN. Will not the gentleman in his extension of remarks please consult with the judge and get the names of the consumers and farmers who were called into this conference.

Mr. DRIVER. Of course the gentleman knows when he makes that suggestion that it would be entirely without the possibility of showing that a consumer was invited. This was a meeting initiated by the Cottonseed Crushers' Association and their affiliated interests as the gentleman well knows, and was not called by the Federal Trade Commission, and the only responsibility that they assumed or owed to that conference was to send a representative there to discuss with them the matters that they had before their meeting.

Mr. PATMAN. May I direct the gentleman's attention to the fact that in discussing trade-practice conferences the judge stated in his report that in having just such conferences with the cottonseed-oil people, the interests of the public were represented, not only by the members of the commission present but also by calling in consumers to the conference. According to that, somebody was called in as a witness.

Mr. DRIVER. Neither Judge McCulloch, nor anybody associated with him, called in anybody into this conference, and there is where the gentleman goes far afield as to this conference.

Another thing: There was, prior to the meeting, a code of ethics. That code was agreed upon by the people interested. Section 1 of that code was a controversial proposition at the Memphis meeting. Prior to the Memphis meeting a statement was made by Mr. Humphrey, in which he called attention to the want of publicity to the seller of the price of the product in this industry. Now, when the Memphis meeting occurred, this section of the code was attempted to be changed, and in changing it the conference brought into the open meeting, presided over by Judge McCulloch, a resolution to change section 1, which provided, as they claim, for the character of publicity necessary to give the seller of the product the prevailing prices, and they used the words "current price" or "bid price." The record shows that Judge McCulloch immediately after the reading of that resolution called attention to a decision of the Supreme Court which expressly prohibited the publication of bid or current prices. He said:

If you pass that resolution it will be my duty to carry it back to the commission, but at the same time on the face of it, it is contrary to the law, and you should not impose that burden upon me.

There was a general discussion along that line. The gentleman from Texas [Mr. PATMAN] quoted Judge McCulloch at the wind-up. In answer to a question in that conference—

I wonder why they could not still inject that feature into the resolution?

He said:

You can not put on the face of the resolution a thing that contravenes the law.

Yet the gentleman from Texas, in commenting upon that, attempts to give the impression and impress you with the idea that Judge McCulloch said to that conference that they could place that construction on it, and act in obedience to it, but that on the face of it they must not carry that denunciation of existing law.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. Yes.

Mr. PATMAN. Is it not a fact that the judge was interested in trying to prevent something showing on its face a violation of the law? Of course, he knew that what they were trying to do—that is, to agree to exchange the bid price—was a violation of the law. Did he not say this?—

I am trying to prevent starting out putting something on the face of it that under the law is unlawful to do.

And when the representatives of the industry insisted that they wanted the bid price in it, the judge admitted that one competitor might call another competitor up, although they were not under obligation to do so, and they could confer together. That is a violation of the law, is it not?

Mr. DRIVER. He said:

You can discuss it, but you can not publish a price here that will bind the trade. You must not put on the face of the resolution something that will not be accepted by the commission. I am forced to carry back what you present me with, and the commission will consider anything you pass; but I do not want you to pass a resolution which on its face is a violation of the law.

Under those circumstances this gentleman, who has built up a character beyond reproach wherever he is known, is assailed as having created deliberately in that Memphis meeting a trade combine; a man whose life and conduct have always been of that high type, would stoop to betray the people so intimately related to and engaged in that business. The suggestion is so far-fetched that if it were made in the State of Arkansas or in the confines of the district which my distinguished friend represents it would not be necessary to raise a voice in defense in this body. [Applause.]

That man is removed from that local influence and he is assailed on the floor of this House. The Record as made up is sent out to the Nation as a whole, not only condemning him but condemning the body with which he has the honor to serve. I regret that it becomes necessary for me to undertake to present this picture to you. It is a pleasure, however, to do it. I think it is unfortunate that it is necessary to inject this controversy into the subject. The attack which the gentleman is making adds neither dignity or force to his plea and should not receive serious consideration. The subject involves matter of great consequence to a large part of the Nation.

I thank you, gentlemen, for your attention. [Applause.]

The SPEAKER. The Chair recognizes the gentleman from Texas for 10 minutes.

Mr. PATMAN. Mr. Speaker and Members of the House, I would not want to say anything that would detract from what the gentleman has said about the reputation and standing of the gentleman from Arkansas. As I said here yesterday he was a distinguished jurist of that State, a man who was loved and respected by the people; but the point I could not understand was why he should have joined, in the face of his apparent interest in the cottonseed-oil industry, in creating an organization which had for its purpose the depriving of the farmers of the South, among whom he had lived all the days of his life, of \$75,000,000 each year.

Now, that is what the oil industry had in mind. If the judge did not see that I do not know why he did not, but the record speaks for itself, and if I am misquoting this record or if these charges are untrue or falsely made, the best way on earth for that Federal Trade Commission to be exonerated would be by having this resolution brought upon the floor of this House, a committee appointed, and an investigation made, so that all the members of this commission might be exonerated.

I even thought so much of this old gentleman because of the name he had made in Arkansas that in the first speech I made I did not mention his name. Of course, our Republican friends here yesterday brought it out, and I told them he was the chairman of that meeting. They did it for the purpose of showing it was a Democrat. That is why they did it, and I do not blame them for it, although I do not believe the judge should be singled out. The whole commission is responsible for the acts of that conference. Everything that was done there was later approved by the entire commission. I say now, and I will say it to the gentleman from Arkansas or anybody else, that that whole commission has performed their duty in such a gross and careless manner that they are each and every one guilty of malfeasance in office. The word "malfeasance" means that they have performed acts they had no right to perform under the law. When I make that statement I make it advisedly and I make it deliberately. I can back up every word I say not only from this record but from other records as well. They have no right to hold these so-called trade-practice conferences.

I desire to invite the gentleman's attention to the fact that the secretaries of agriculture of the various cotton States had a little meeting at Memphis last fall. They represented the farmers of the South, and they even petitioned the Federal Trade Commission to investigate this Cottonseed Oil Trust. Did they do it? No; they did not do it. One of the secretaries of agriculture reported that he had written to the Federal Trade Commission before that, a long time, months before, or weeks, I do not know which, but a long time, and a sufficient length of time for them to make a reply, but they even refused to answer his letter. A secretary of agriculture reported that.

I want to say that if that commission is so blameless, if they have done nothing wrong, they should not fear an investigation at the hands of Members of Congress. If they are not guilty of anything why should they not want an investigation?

Gentlemen talk about these Federal trade-practice conferences being inaugurated back in 1919. They did have a little conference or two, but if the gentleman is informed on this subject he will know that 90 or 95 per cent of these conferences have been held within the last 12 months and certainly within the last 18 months. Why? Because the industries of our Nation have just learned that they can get an agency of our Government to supervise and preside over their meetings, where they can organize a trust and where they can set their prices. There is not a lawyer in this House who will not agree with this statement, that the courts of this country have decided that where one posts a price and then causes it to be given to his competitor, or where he is disclosing to his competitor the current price or giving to his competitor the price which he expects to pay or to give that is a violation of the laws of the United States. Notwithstanding that, I just want to call the gentleman's attention to another little conference they held, in the millwork industry, in which they put out this rule, as found in this pamphlet, Standards of Business Practices. They will get this commission to preside over a meeting of the representatives of the industry, they will be organized, and then they themselves will put out these little pamphlets about Federal trade-practice conferences over the signature of the Federal Trade Commission. I want to read to you one of these rules, and if it is not a violation of the law, you ought to get up and stop me right now.

This is rule 12, and it has to do with sash, doors, and things like that which go into the homes of this country. They got that industry together, or, at least, they sent out notices and presided over the meeting, and I will now read from this rule:

The industry hereby records its approval of the practice of distributing and circulating to the entire industry current price lists and all notices of advance or decline in prices made by any individual distributor or manufacturer, either by the individual distributor or manufacturer or by the association or group he may be identified with.

Will the gentleman from Arkansas get out of his seat and say that is not a violation of the law?

Mr. DRIVER. That is exactly why Judge McCulloch advised that Memphis conference not to pass that resolution.

Mr. PATMAN. But he approved of this one.

Mr. DRIVER. He approved the one he brought there.

Mr. PATMAN. The gentleman misunderstands me.

Mr. DRIVER. He objected to the resolution they offered and had them strike out the language referred to, and he brought back to the commission the resolution with that eliminated, and Judge McCulloch was responsible for its elimination.

Mr. PATMAN. The gentleman misunderstands me. I am reading from an unfair trade-practice conference held by the millwork industry. This is not the cottonseed conference.

Mr. DRIVER. I do not know about that. I have not investigated that at all.

Mr. PATMAN. I am just pointing out different cases where there could not be any misunderstanding about it. If there had just been this cottonseed-oil industry conference and nothing more, I would not have said anything about it; in fact, I did not disclose this for weeks and months, thinking that probably we would get an investigation and it would not have to be mentioned on the floor of this House. I discussed it with a distinguished member of the delegation from Arkansas and I told him I hated to bring it up here. But here are the facts and here is the record, and there is no way around it, and whenever it comes to a question of whether I am going to refuse to mention the name of a man, however distinguished he may have been, or whether I am going to protect my farmers of the South and your farmers from a loss—and an unfair loss—of \$75,000,000 a year, I am going to protect those people that I have sworn to defend and uphold in this body and which you have sworn and have promised to defend in this body.

Mr. DRIVER. Will the gentleman yield?

Mr. PATMAN. Yes, sir.

Mr. DRIVER. Do you mean to say that the resolution as finally modified at the Memphis conference is in violation of the law?

Mr. PATMAN. The one where it said "price paid"? Yes; it was in violation of the law, because it shows on its face their intent. Here is what the resolution said—

Mr. DRIVER. The gentleman has kindly yielded to me and I will ask him to answer my question.

Mr. PATMAN. Yes.

Mr. DRIVER. Was the resolution as amended at Judge McCulloch's instance a violation of the law?

Mr. PATMAN. In connection with what they had told the judge they expected to do and as showing their intent, it was a violation of the law and I will show you how it was a violation.

Mr. DRIVER. No; I did not ask that.

Mr. PATMAN. Let me read the resolution.

Mr. DRIVER. I know what the resolution states. I beg the gentleman's pardon. I do not want to be insistent or to take up his time, but was the resolution that was amended at Judge McCulloch's instance there a violation of the law?

Mr. PATMAN. Yes, sir; in connection with that record, it is a violation of the law, and if the gentleman will just wait, I will show him how. You know the resolution said that—

We shall make public by all available means the prices bid or paid for cottonseed.

That was the resolution, was it not?

Mr. DRIVER. That was the resolution that was offered there.

Mr. PATMAN. They wanted to fix it so they had to tell their competitors the price, but Judge McCulloch said, "You just leave that out," or words to that effect, "just fix it so the sellers—the farmers—will know, and the other fellows will get it in some way." The record discloses this and the gentlemen knows it. Then they said:

We must have that bid price.

The judge said:

It is a violation of the law.

As I explained to you here yesterday. He reluctantly yielded, and they came on and said:

We must have that bid price.

And, finally, Mr. Benet, who was the general counsel, said:

Must we put it as the price we have paid for cottonseed?

This would have been in conformance with the law, everybody admits that, but the judge said:

No; you need not put it "have been paid."

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I ask for two minutes more.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. PATMAN. He said:

I do not ask you to put it "have been paid," just put the word "paid" there.

Well, what does this indicate? It indicates the prices they are paying, the prices paid or posted up, and, after all, they got exactly what they wanted, and in carrying that out they set the price of cottonseed in the South to such an extent that the farmers lost approximately \$75,000,000.

Mr. DRIVER. Will the gentleman yield there?

Mr. PATMAN. Yes, sir.

Mr. DRIVER. Was the resolution carrying the word "paid" a violation of the law?

Mr. PATMAN. In connection with their intent, it was.

Mr. DRIVER. That makes it dependent on something else, but I am asking the gentleman if that resolution carrying the word "paid," which presupposes a past transaction, was a violation of the law.

Mr. PATMAN. It was a sufficient violation of the law that the Attorney General of the United States stopped them from doing it. Is not that sufficient? Did not the gentleman hear Mr. SNELL get up here yesterday and say the Attorney General had stopped them?

Mr. DRIVER. I did not.

Mr. PATMAN. Well, he did say it, and he [Mr. SNELL] is here now, and he would deny it if I were not quoting him correctly.

Mr. DRIVER. If the gentleman will permit me, the gentleman knows that the Supreme Court, in the Maple Flooring case, said that the Attorney General was wrong.

Mr. PATMAN. I know what that case was. That was with respect to a past and closed transaction.

Mr. DRIVER. The gentleman is learned in the law and the gentleman knows that in that case the Supreme Court said the Attorney General was wrong.

Mr. PATMAN. But this cottonseed resolution was a future transaction.

I wish I had more time. I would tell you about a half dozen of these industries they have organized. If they have organized one, they have organized fifty, and they are about as bad as the Cottonseed Oil Trust, and this is one thing that is injuring the country to-day. These big industries are charging excessive prices and are making excessive profits and taking so much money for the things they sell that the other men in different lines of business can not sell their goods. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired.

THE BANK FOR INTERNATIONAL SETTLEMENTS

Mr. McFADDEN. Mr. Speaker, I want to refer briefly to one or two things. The month of February is the month in which this country and this House usually celebrate the memory of Washington and Lincoln. Two years from now we are going to celebrate the two hundredth anniversary of the birth of George Washington; and as a text of what I am about to say I want to quote from Washington's Farewell Address, because I think it is a proper text for me to have as an introduction to the remarks which are to follow.

The SPEAKER. The Chair assumes that the gentleman is speaking in his time of one hour?

Mr. McFADDEN. No, Mr. Speaker; I asked for 30 minutes to address the House out of order, not to be taken out of the hour.

The SPEAKER. The Chair understood that that was objected to. The gentleman from Pennsylvania asks unanimous consent to proceed for 30 minutes out of order. Is there objection?

There was no objection.

Mr. McFADDEN. I read from Washington's Farewell Address:

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Mr. Speaker, reports emanating from Frankfort, Germany, the latter part of January stated that Gates W. McGarragh, chairman of the board and Federal reserve agent of the Federal Reserve Bank of New York, was to become chairman of the board of directors of the Bank for International Settlements. Confirmation of this assumption has appeared in the New York papers during the past week, and on February 22, Washington's Birthday, the New York Times said in its headlines:

G. L. Harrison sails for bank parley. Local Federal reserve's head will confer abroad on gold and other problems. Wide interest aroused. America's part in operation of international bank expected to be discussed.

The article states that Mr. Harrison, who is governor of the Federal Reserve Bank of New York, sailed for Europe on last Friday evening on the *Majestic*; that during his stay abroad he will visit the principal European correspondents of the reserve bank; that this trip is particularly opportune, coming at a time when the central banks of Europe and this country are faced with a number of perplexing problems, and stresses particularly the foreign-exchange markets and the international gold situation. The article says that he will have discussions with the governors of the Bank of England and the Bank of France, and incidentally mentions that another subject to come up for discussion, when the governors of the central banks

meet, is the part which the Federal reserve is expected to play in the operation of the Bank of International Settlements, which is soon to be established at Basel, Switzerland. It adds that the governors of the banks of issue are expected to meet in Rome to elect a board of directors of the international bank and at that time they will choose the American directors of the institution and extend invitations to them. The article states further that it has become a regular practice in recent years for the governors of the European central banks and the governor of the Federal Reserve Bank of New York to visit each other for the purpose of considering central banking problems and refers to the two visits to America last year of Montagu Norman, governor of the Bank of England.

It will be recalled that on the first visit of Governor Norman a definite change of Federal reserve policy took place—a policy of inflation to a policy of deflation. On his second visit, further restrictive measures were agreed upon and put into operation both by the Federal reserve system and the Bank of England, and shortly thereafter the financial debacle of last October occurred.

There is no question about the importance of these conferences between the governor of the Federal Reserve Bank of New York and these foreign bankers. The article quoted further states that it is the policy of the Bank of England and of the Federal Reserve Bank of New York to describe these interchange of visits of their governors as "vacations," and that no significance is ever attached to them in official circles, and the social aspects of the trips are stressed.

However, the news item mentioned must be based on some official statement issued by the Federal Reserve Bank of New York; and I am now inquiring as to whether it is true that the Federal Reserve Bank of New York is proceeding contrary to the administration's policy as described by Secretary Stimson, of the Department of State, on May 19, 1929. I believe that the State Department should immediately call upon the Federal Reserve Board for full information regarding any activities of the officers and directors of the Federal reserve banks and the board itself may have engaged in, in connection with the organization or proposed operations of the Bank of International Settlements. If the State Department does not do this, we can feel justified in assuming that the department's statement of last May meant nothing, and was issued for some other purpose than the impression that it created at that time. The statement was apparently intended to be definite and complete in expressing administration opposition to our being involved officially in any way with the machinery or affairs of the international bank. Does this mean that the Federal reserve management has been acting contrary to a mandate of the State Department? If the Federal reserve management is participating in any manner in the discussions attending the organization of the Bank of International Settlements, so as to insure the control and management of all international financial transactions between this country and other countries through the use of the assets of the Federal reserve system, it apparently means that the participation of this country in the Bank of International Settlements is to be by and through the banking house of J. P. Morgan & Co. I insist that Congress should be fully advised and that legislative authority for such relationship with J. P. Morgan & Co. to represent the Federal reserve system in all international financial operations should be considered, or the right of the Federal reserve system to participate indirectly by and through the private banking house of J. P. Morgan & Co. in their contact on international matters should be forbidden.

Let me analyze for a moment the position of the State Department as regards the vexing question of German reparations. The position of the Government is clearly stated that it does not desire to have any American official directly or indirectly participate in the collection of German reparations through the agency of the Bank of International Settlements, and in this its position is perfectly consistent. Our Government has never accepted membership on the Reparation Commission. It has declined to join the allied powers in the confiscation of the sequestered German property and the application of that property to its war claims. It does not now wish to take any step which would indicate a reversal of that attitude, and therefore it issued the statement of May 19, 1929, that it would not permit any officials of the Federal reserve system either to themselves serve or to select American representatives as members of the proposed international bank.

To make clear the position that the United States does not propose to tie up German reparations with the payment of loans owed to this Government by foreign countries, I desire to quote from the Yale Review, winter of 1930 issue, an article on the war debts by Gerrard Winston, former Undersecretary of the Treasury and secretary of the Debt Refunding Commission, as follows:

The American policy of making each loan on the sole credit of the particular borrower and refusing to accept any substitution of debtors began when the first dollar was loaned. It runs through each Liberty bond issue and every document and governmental action. The statement in the Balfour note that we loaned other nations on England's credit was sharply contradicted and its incorrectness admitted. The plan to have the United States accept Germany as debtor on the Belgian prearmistice loans was declined. The law authorizing the debt settlements specifically prohibited any substitution of debtors. In each settlement the ability to pay of the particular debtor was alone considered. If anything could establish an American policy it has been done; step after step consistently the United States has insisted that the war debts to it were not to be conditioned upon German reparation payments. This was sound policy. We wanted to stay clear of European entanglements and to treat with those to whom we loaned money, not with strangers. In this there was also logic because our debts represented war costs, and under the armistice terms and the treaty of Versailles, Germany was not required to pay any war costs of the Allies. So much for the American policy. Europe to-day boasts, and boasts loudly, that it has finally outmaneuvered the United States. In the Young plan Europe thinks that it has tied together reparations and war debts. It has already been suggested that France, for example, by directing the new international bank to collect from Germany the reparations representing its debt to the United States, and to pay these sums over to the United States, relieves itself of all obligations to America. Mr. Winston Churchill an energetic protagonist of British debt views, has indicated that England has no further interest in war debts so long as Germany pays. This, of course, does not represent the view of the administration at Washington.

The concurrent memorandum, attached to the Young plan, and not signed by the American experts, is an interesting example of the game which must have gone on during those months of negotiation in Paris. The German reparation installments are fixed for the first 37 years to cover reparations and war debts, and for the last 22 years to cover only war debts. The concurrent memorandum provides that in the first period the benefit of any reduction of war debts goes two-thirds to Germany and one-third to the war debtor, and in the last period all benefit accrues to Germany. If the Allies want to collect from Germany only enough to pay their war debts, why should they retain a one-third interest in any cancellation, or why should this be for a part and not all? It is amusing to note the way hoped-for charity from America has been used for chips in the international poker game.

None can avoid the proposition that reparations and war debts have a connection. Receipts from Germany give a nation funds in addition to what it raises from taxation, with which to pay its debts, to the benefit of both debtor and creditor. But to step beyond this and argue that the war debtor may force his creditor to release him and to accept a new debtor, is an attempt to make a new contract for the creditor against his consent. To take a simple example, I may loan a sum of money to a young man having a small salary and allowance from his father. If the allowance stops, perhaps my loan is endangered, but if in the meantime the young man has materially increased his salary my loan is still good. Certainly I would object to being told I must look to the allowance alone for repayment. If German reparations fail, a nation could, if it saw fit, refuse to fulfill its solemn undertaking represented by its debt settlement. If it had any other means of payment, this refusal could not be justified by any Young plan or any bank for international settlements. It would be simply repudiation—a privilege accorded alone to sovereignty.

I have referred previously to the fact that the Bank of International Settlements comes from the creative mind of the vice chairman of the board of the Federal Reserve Bank of New York, and have pointed out that the assistant Federal reserve agent of the Federal Reserve Bank of New York was in close consultation with its sponsors at Paris at the launching of the bank during the formulation of the Young plan. I have shown how the present chairman of the board of the Federal reserve bank became a director of the Reichsbank of Germany under the Dawes plan, and I have referred to the fact that the first chairman of the board of the Federal Reserve Bank of New York resigned his position and accepted a position under the reparations agent in Germany, who was charged with the responsibility of collecting German reparations funds. I have shown how the chairman of the board and the present Federal reserve agent of the Federal Reserve Bank of New York is to become president and a director of the Bank of International Settlements, and I have quoted from last Saturday's New York Times from a statement showing that the governor of the Federal Reserve Bank of New York sailed last Friday to confer with the heads of the foreign banks of issue who are to become directors and officers of the Bank of International Settlements, and that while he is abroad an important meeting is to be held in Rome, Italy, when the final consummation of the board of directors and all details looking toward the opening of the bank is to be held.

At this point I wish to make a statement in regard to the meetings of the heads of the central banks so that we may understand exactly how this close-working arrangement started and has continued.

Mr. WINGO. Before the gentleman leaves that subject will he yield?

Mr. McFADDEN. I yield to the gentleman.

Mr. WINGO. Is it not a fair assumption that the State Department has the same information before it as the gentleman has?

Mr. McFADDEN. I do not know.

Mr. WINGO. They can read as well as the gentleman. Does not the gentleman know that everything that has been done has been done with the full knowledge of the State Department and the Federal Reserve Board?

Mr. McFADDEN. The statement issued by the Secretary of State last May would not indicate that such was the case.

Mr. WINGO. That was an academic statement intended—from the gentleman's standpoint—as camouflage. The fact is that the Federal Reserve Bank of New York goes contrary to the policy of the Federal Reserve Board after consultation with the board, and they have not condemned it. Has the gentleman got any inside information as to why the Secretary of State and the board are being overruled?

Mr. McFADDEN. I am taking the statement as shown on the face of it, and that no other information is apparently being given out.

Mr. WINGO. The gentleman is not so unsophisticated as to know that the intention is to slip us into the League of Nations by the back door.

Mr. McFADDEN. I think that is exactly what is taking place.

Mr. WINGO. Why not call on them to give you the information directly? Why not introduce a resolution asking the President to give you the information?

Mr. McFADDEN. Before I finish my remarks the gentleman will be satisfied with the course that I propose taking.

Mr. WINGO. No; I will be frank with the gentleman. I think it is the duty of the gentleman to say to his own State Department and his own Federal Reserve Board—if I were to do it they would say, "Oh, the Democrats are playing politics." The gentleman knows that they are doing the things of which he complains with the consent of the State Department and the Federal Reserve Board, and if it is wrong why does not the gentleman take the necessary steps to prevent these things?

Mr. McFADDEN. I will say to the gentleman that I have prepared and am about to introduce a resolution calling upon the Secretary of State and the Secretary of the Treasury to furnish this Congress with full detailed information with regard to this matter.

Mr. WINGO. And in the meantime the devilment is going on, a meeting is being held in Rome, and we are being committed to these things. Why wait until the horse is stolen before we lock the door? Why not take some action instead of talking about it, assuming the gentleman's charges are true?

Mr. McFADDEN. I began to discuss this matter a year ago, and I discussed it in this House 10 days ago. However, there was no apparent notice of it either by the State Department or the Federal Reserve Board. I have concluded, and part of my remarks here to-day is an indication of a definite action by the introduction of two resolutions which have a preferred status in this case, and if they are not acted on immediately the House can act on the matter itself.

Mr. WINGO. Is it not true that the administration assumes that since the Senator from Missouri, Mr. Reed, has gone that they can safely get away with this, and that the only person who criticizes it is the gentleman from Pennsylvania [Mr. McFADDEN], who talks about it but does nothing?

Mr. McFADDEN. The gentleman is talking about the Senate, and a mere Member of the House would not want to discuss the procedure in the Senate.

Mr. WINGO. I am talking about an ex-Member of the Senate. The gentleman is apparently the only defender of the Washingtonian theory against entangling alliances, so the administration feels safe. Uncle Andy is not scared by what the gentleman is saying, is he? If they are doing wrong, why does not the gentleman by proper resolution say they shall not do it, that they shall not turn the Federal reserve system into a partnership with these European banks and unload on us the German reparations bonds and make us pay Germany's debts to the Allies?

Mr. McFADDEN. Let us get the information first correctly from the departments.

The year 1923 witnessed the culmination of the postwar crisis in European finance. Monetary conditions were in a state of

chaos. Exchanges were completely demoralized. The League of Nations, realizing this critical situation, elaborated and put into operation a reconstruction scheme, and, in cooperation with the governments which were relinquishing their priority claims and guaranteeing a portion of the reconstruction loans, enabled Austria to obtain the funds required for the stabilization of the krone. The Bank of England made an advance to the Austrian national banks for stabilization purposes between the period of the conclusion of the agreements and the actual issue of the loan. This support was the first public act of cooperation between central banks after the war.

Prior to that the only knowledge we have of central-bank cooperation was in the case of the Bank of France with the Bank of England during the Baring crisis.

During the war there was, of course, some cooperation between the allied central banks, and also between the Reichsbank and other banks of issue among the German allies. It was not, however, until after the war that a systematic movement was attempted and, it was largely, if not exclusively, due to the initiative of Mr. Montagu Norman, governor of the Bank of England, through his personal friendship with the late Benjamin Strong, governor of the Federal Reserve Bank of New York, that the United States was induced to cooperate financially, if not politically, in European affairs. Most of Mr. Norman's work for reconstruction was done behind the scenes. The alliance began with a select group of leading institutions, but later included almost all of European central banks. Nor was it confined to Europe and the Federal reserve system—or more particularly the Federal Reserve Bank of New York—which played the leading part from the outset. The Japanese and the Egyptian banks of issue were also aided. There were some indications that eventually all central banks within and outside of Europe would cooperate. Two purposes were to be served—monetary stabilization and the prevention of a scramble for gold by central banks. There was also a secondary objective, which was a means to an end rather than an end itself; that is, the establishment of closer business relations between central banks, which would at the same time help solve the problem of reparations transfers.

The promise of an advance made at the instance of the League of Nations by the cooperating banks, principally the Bank of England, to the Austrian National Bank enabled Austria to benefit by the loan months before it was actually issued. Similar services were rendered to the Hungarian National Bank.

When it came to Germany's turn to be assisted, a group of central banks was formed to support the Reichsbank by means of placing capital at the disposal of the gold discount bank. In this a large number of central banks participated. The stabilization of the franc, the lira, the zloty, the drachma, and the other units of exchange was carried on through the aid of the credits granted by the grouping of central banks, and, as I have already said, this cooperation was, of course, given to the restoration of the gold standard in Great Britain. This, however, was granted exclusively by the Federal reserve system.

Although the efforts of central banks were generally conducted within the League of Nations scheme, on occasions they acted independently. Take the case of Poland, for instance. There a plan was arranged without any assistance from the League of Nations by a group of central banks. Assistance was also given to Rumania by the central banks, notwithstanding the fact that there was some controversy as between the Franco-American scheme and the League of Nations scheme.

Similar credits were granted for stabilization purposes to Bulgaria and Estonia, under the auspices of the League of Nations. Such assistance was also given, though principally by the Bank of England, to Greece, Asia Minor, and parts of Turkey, and the Bank of England assisted the Bank of Danzig. The Bank of Spain was, during this period, assisted by Anglo-American banking groups, headed by the Midland Bank of London and J. P. Morgan & Co. It was indicated, and probably not without reason, that this loan was made on the principles of the finance committee of the league, which were largely inspired from Threadneedle Street. It is perfectly plain that the assistance given by these central banks to those countries desirous of stabilizing their currency was not prompted exclusively by philanthropic considerations. There were many self-benefits to be derived.

The second principal aim of this movement of cooperation between central banks was the regulation of the demand for gold for central banks. Although the principal holders of gold are willing to assist these central banks in their endeavor to build up their gold stocks, they have a natural desire to prevent any sudden demand upon their own resources. Take the case of New York. Heavy withdrawals by a number of foreign central banks could be very embarrassing. This applies equally to London. Inasmuch as the gold stock is greater in New York

than in London, a lesser withdrawal from London would be more embarrassing. Because of this fact, these central banks, which includes the Federal Reserve Bank of New York, have reached an understanding by which central banks try not to withdraw any gold from one without the others' consent, and the same principle governs the earmarking and release of gold held by the Bank of England and by the Federal Reserve Bank of New York on account of foreign central banks. This is a splendid working arrangement for these foreign banks of issue who are hard put to maintain sufficient gold to back their legal reserve requirements.

Another auxiliary, beside the cooperation of central banks, which has been used to facilitate their task of the transfer of funds, is the agent general for reparation payments. These arrangements have been largely made and carried out behind the scenes and the agent general for reparation payments has frequently participated in the conferences of the central banks.

That Montagu Norman, governor of the Bank of England, is the moving spirit in all of these international economic, financial, and political relationships involving the Federal reserve system there can be no doubt, nor can there be any doubt that it was his influence over the late Governor Strong that brought about the active cooperation of the Federal Reserve Bank of New York, thus involving the Federal reserve system. His frequent visits here—some of them very secretive—particularly his visit in 1926 when the conference took place in the Treasury Department between the head of the Reichsbank, the head of the Bank of France, and the reparations agent in regard to a plan involving the pledging of the railways of Germany back of a note issue which was to be underwritten in France, Germany, and the United States, and which, I understand, was agreed to by our Treasury authorities, but was headed off by President Coolidge, further indicates the tie-up of reparations international bank conferences and the Federal reserve system with international affairs. If this plan had not been blocked by President Coolidge, we would have witnessed a commercialization of the German war debt and a transference from the allied countries, to whom Germany owed these debts, to the private investors of these countries and the United States, principally the United States. It was proposed in the treaty of Versailles that the German war debt should be commercialized and unloaded upon the United States. So the framers of the Dawes and Young plans and the reparations agents and the international bankers have not changed—they never do; they still intend to do this in some way. They know not defeat.

Mr. RAMSEYER. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. RAMSEYER. The gentleman speaks of an agreement made in the treaty of Versailles about unloading this on the United States. That was not incorporated in the treaty.

Mr. McFADDEN. Oh, no.

Mr. RAMSEYER. It is probably an understanding on the outside with the international bankers?

Mr. McFADDEN. Oh, yes; it is clearly read in between the lines.

It will be plainly seen how closely these conferences have to do with the financial department of the League of Nations, reparations, and international financial transactions. These conferences, originating with the governor of the Bank of England, have become so important a part of European economic, financial, and political affairs that they are to be given a legal status by centering their future activities in the Bank for International Settlements. Because of this fact we are about to witness another one of these important conferences between central banks, at which conference the finishing touches will be put upon the organization of this International Bank for Settlements.

The plan of the organizers of this bank indicates that its board of directors is to be composed of the governors of the Banks of England, Belgium, France, Italy, and one other director of each of these banks, and that Gates W. McGarrah, now chairman of the board of the Federal Reserve Bank of New York, and Leon Fraser are to represent J. P. Morgan & Co., the managers; and I quote an article from the New York Herald Tribune, "World's Bank Directorate Nearly Filled," bearing a Washington headline, as follows:

WORLD'S BANK DIRECTORATE NEARLY FILLED—MOREAU AND BRINCARD TO SERVE FOR FRANCE; ADDIS FOR BRITAIN; MCGARRAH AND FRASER FOR AMERICA

WASHINGTON, February 18.—The make-up of the board of directors of the Bank for International Settlements has been virtually completed, it was learned in authoritative circles here to-day, and an announcement of the names of the directors chosen by the governors of the several central banks is expected to be made from Rome next week.

The French directors, it is learned definitely, will be Emile Moreau, governor of the Bank of France; Baron Brincard, president of the

Credit Lyonnaise, one of the largest commercial banks in Paris; and Baron der Vogue, president of the Suez Canal Co.

One of the two English directors will be Sir Charles Addis, vice president of the Hong Kong and Shanghai Bank, who was a delegate, following the death of Lord Revelstoke, to the experts' conference which drew up the Young plan in Paris a year ago. Whether Montagu Norman, governor of the Bank of England, will exercise his prerogative, as Governor Moreau is exercising his, to name himself to the international bank's board is not yet known, but it is considered quite likely.

BELGIUM'S TWO DIRECTORS

Belgium's two directors will be Emile Francqui, vice governor of the Societe Generale de Belgique, Brussels, who was a member of both the Young and Dawes plan committees, and Paul van Zeeland, of the Bank of Belgium, who is now a member of the subcommittee which is completing plans for the setting up of the new bank.

The United States will have Gates W. McGarrah, now chairman of the board and Federal reserve agent of the Federal Reserve Bank of New York, and Leon Fraser, New York attorney, who for three years was general counsel for the Dawes plan on the board of directors of the international bank.

Indication has not yet come from Germany as to the names of the three directors which the country will be allowed to have on the bank's board. Well-informed persons here have heard rumors of the identity of the German directors, but as the reports are unofficial it is not known how much faith should be placed in them. No information is yet available regarding Italy's directors, although it is held quite probable that Governor Stringher, of the Bank of Italy, will himself serve as one of the directors.

MEETING IN ROME FEBRUARY 26

Governor Norman, of the Bank of England; Governor Moreau, of the Bank of France; Governor Franck, of the Bank of Belgium; Governor Schacht, of the Reichsbank; and Governor Stringher, of the Bank of Italy, are scheduled to meet in Rome on February 26 to compile finally the list of directors of the new bank. Inasmuch as it is already agreed—except, perhaps, in the case of Germany—just who the bank's directors will be, it is thought that the governors will announce the names of the international bank's directors on the first day of their meeting in Rome.

Another matter for the governors to decide at their Rome meeting is whether Pierre Quesnay, of the Bank of France, will receive the appointment as managing director of the new bank. He is favored by most of the nations which will be directly interested in the international, but opposition to his appointment has developed in Germany.

It was originally planned that the central bank governors would meet in Rome on February 15, but at the last moment a postponement until next week was asked by one of the governors.

The information here is that Mr. McGarrah and Mr. Fraser most likely will sail for Europe within the next two weeks, probably around March 1, and will proceed to Basel, Switzerland, where the new bank will be located, for the first meeting of directors probably on March 10. At that meeting the directors are scheduled to proceed formally with the election of Mr. McGarrah as chairman of the board and president of the Bank for International Settlements. It is expected that from among the directors several vice presidents will be chosen. The information reaching Washington is that Mr. Fraser will be selected deputy president of the bank and charged with the responsibility of presiding at meetings of the board of directors when Mr. McGarrah is absent.

MOREAU HELPED STABILIZE FRANC

Emile Moreau has been governor of the Bank of France, one of the most important banks of issue in the world, since 1926, having been appointed by Premier Cailleux to succeed Governor Robineau. Governor Moreau played a prominent rôle in the stabilization of the French franc, and his work in defending the franc and insuring its stability was recognized by his promotion in February, 1927, to the rank of grand officer of the Legion of Honor.

M. Moreau began his banking career in 1906 when he was appointed a director of the Bank of Algeria. Five years later he was made its director general. As governor of the Bank of France, M. Moreau occupies an unusually important rôle in world finance because of the large gold reserve now at the institution's command.

Baron Brinard is one of France's commercial bankers by virtue of the position he holds as president of the administrative council of Credit Lyonnaise. Baron Brinard also is an administrator of the Society Fonciere Lyonnaise, of the Credit Union of National Industry, and of the Compagnie des Forges de Chatillon. He is an officer of the Legion of Honor.

Sir Charles Stewart Addis is a British financial authority of international reputation. Born in November, 1861, he received an appointment in 1880 to the London office of the Hong Kong and Shanghai Bank. In 1886 he was sent to China as manager of the bank's Peking branch, where he remained until 1905, when he was recalled to become joint manager in London. In 1911 he was appointed London manager of the Hong Kong and Shanghai Bank, and in 1913 was knighted.

ADDIS CONFERRED AT PARIS

After the Dawes plan was adopted he was made British representative on the general council of the Reichsbank, a position which Mr. McGarrah has held for the United States. He was appointed alternate to the experts' conference in Paris early last year, and upon the death of Lord Revelstoke he was named head of the British delegation to the conference.

The board of directors of the international bank will have no more colorful member than Emile Francqui, of Belgium, former Minister of Finance, veteran of the Congo and China, who, because of his efforts to stabilize the Belgian franc, was to Belgium what Poincare was to France. He was described at the Paris conference, where he was the chief Belgian delegate, as "a physically magnified Poincare, sharp and unreserved where the French Premier is cold and impersonal. M. Francqui has been described as burly of figure, burly of voice." He is rated as the richest man in Belgium and among the 12 richest men in Europe. When M. Francqui sees fit to retire as the governor of the Bank of Belgium M. Francqui is slated to succeed him.

HELPED FRAME DAWES PLAN

In 1924 M. Francqui was a member of the committee which drew up the Dawes plan. Two years later, when the Belgian currency began its rapid descent, he was appointed Minister of Finance, and in a few weeks succeeded in stabilizing the currency and floating the funded debt. After having completed this task he resigned his portfolio and resumed his business career. He is now vice governor of the Societe Generale de Belgique.

Paul van Zeeland was associate delegate to the Baden-Baden conference last fall, at which the statutes of the Bank for International Settlements were drawn up. He attended the later meetings of the bank's organization committee at The Hague last month and was appointed a member of the subcommittee to perfect the final plans for the opening of the bank in April.

Mr. Slepman, of the Bank of England, who also has been serving on the bank's subcommittee, is slated to become associated with the new institution in some capacity, although it is felt unlikely that he will be named a director. Mr. Slepman has had charge of the Bank of England's relations with other central banks and in this work has gained a wide acquaintance in European banking circles. It is believed that he will be engaged by the international bank in a similar capacity.

As soon as the organization is perfected and the bank opened under the Young plan, almost the first business will be to supervise the issuance of \$300,000,000 worth of reparations bonds. Of this issue the plan contemplates the sale in this country of \$100,000,000 or more of these reparations bonds or as much more as the American market will absorb, to be immediately followed by a further bond issue of many hundreds of millions of dollars. Accredited authorities estimate that the United States is to absorb within the next five or six years between five and six billion dollars' worth of these German reparation bonds. I respectfully invite the attention of our State Department to this announced plan and ask them whether or not they are going to give their approval publicly or by silence to an exploitation of the American public in this manner. The State Department has heretofore assumed to pass upon or disapprove issues of securities by foreign countries to be sold in the American market, which precedent should establish a definite responsibility in this particular instance.

In view of the fact that the Morgan firm are very shortly going to offer these securities to the American investing public, I desire now to raise the question definitely as to the legality of these reparation bonds, proposed to be issued and sold in part to the American people through the house of J. P. Morgan & Co. and the Bank for International Settlements.

Mr. BRIGGS. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. BRIGGS. The effect of that would be to transfer from European nations to the United States the relationship of creditor to Germany with respect to reparations.

Mr. McFADDEN. I think the gentleman is correct. My attention has just been directed to a stipulation in the convention of April 1, 1920, articles 5 and 8, which has to do with the pledge of the property and income of the Federal States in Germany under the Dawes plan as continued under the Young plan. This act provided, and has been so interpreted by the councilor of the Reichsgericht, that the Government must have the consent beforehand of the interested State. And the Reichstag in August, 1924, was advised by the representatives of several of the States when they voted against the railway law, then under consideration, that they were compelled to abstain because they were not authorized to consent to the pledging of the States' property for the funding of the Government debts contracted before the 1st of April, 1920, which, of course, means the war debts, the payment for which these reparation bonds are to be issued.

From the German legal point of view, this matter is of far-reaching importance and can not be brushed aside by any well-meaning or plausible arguments which do not alter the basic fact of legality. It is important for us to understand in this connection that the Reichsgericht is the supreme court of justice, the Reichstag is the parliament, the Reichsrath is the empire council, and the Landtag is the States' legislature. Let us bear in mind that the Young plan, of which the Bank for International Settlements is a part, was submitted for ratification to the German Reichsrath, the empire council, and not a parliamentary institution. The members of this council are not elected; they are the direct delegates of the various governments of the Federal States. They are consequently State officials and absolutely independent of the German Government. The German Government concluded a convention with the German States, dated April 1, 1920, wherein the German Government was declared to be a trustee for the railways. Therefore, this convention was in fact a charter fixing and limiting body of the German Government to manage the railways. Incidentally, the railways own the properties of the Federal States. In this connection, I wish to refer to part 3 (a) of the Young plan dealing with the composition of the annuities. The "railway company" as mentioned in this plan is an administrative body appointed by the German Government and consequently has no connection with the Federal States. Therefore, the railway company is under the direction and exclusive control of the German Government and the power granted by the latter to it is limited by the convention of April 1, 1920. By article 8 of that convention the German Government can not pledge the revenues of the railways except with the express consent of the various States. This consent, I understand, the German Government has never received, either under the Dawes plan or the Young plan, although the Reichstag, the parliament, has ratified the Dawes plan. This ratification, however, does not bind the independent legislatures of the Federal States who alone can decide such matters; consequently the German Government has pledged the revenues of the railways to the foreign countries. It would appear that it expects, by this method, to confiscate the properties belonging to the Federal States. This decision is most important, as article 5 of the convention of April, 1920, expressly stipulates that the revenues of the railways can not be applied for war-debt payments. Therefore, I insist that the Reichsgericht, the supreme court of Germany, can cancel such confiscation authority which, if done, will release the German Government of any guaranty to her former allies on account of war debts, as a fundamental illegal act can not have a legal responsibility.

Mr. BRIGGS. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. BRIGGS. Assuming that what the gentleman predicts is correct, that the ultimate intention is to float about five or six billion dollars worth of bonds, largely to be absorbed in the United States, what recourse would the bondholders have within the United States for the payment of the bonds in the event of default thereon?

Mr. McFADDEN. I think they would have all kinds of difficulties and would probably be appealing to their Government for relief?

Mr. BRIGGS. In other words, the United States would have to come to the rescue, as far as it could, and meet those obligations, and its only recourse would be upon Germany in that case?

Mr. McFADDEN. Yes.

Mr. BRIGGS. With the resulting pressure to be relieved of these responsibilities as part of the war debts, as time goes on?

Mr. McFADDEN. Yes.

Mr. BRIGGS. In other words, leaving the United States to bear and absorb the reparations which Germany undertakes to pay to the European allies?

Mr. McFADDEN. The gentleman is correct. I am dealing more fully with that situation a little later on.

Part 8 of the Young plan provides that the basis of payment under the Dawes plan shall cease as of August 31, 1929, and that from the effective date of the Young plan, Germany's previous obligation shall be entirely replaced by the obligation laid down in the later plan, and that the payment in full of the proposed annuities in accordance with this plan shall be accepted by the creditor powers as a final discharge of all the liabilities of Germany still remaining undischarged, referred to in section 11, part 1, of the Dawes plan as subsequently interpreted under the London agreement of August 30, 1924. This means that the Bank of International Settlements is to collect the reparation payments and distribute them to the former allies.

Now, I desire to point out that if the railway contributions under the Dawes plan were illegal, it stands to reason that, in

accordance with the convention of April, 1920, as interpreted by the Supreme Court of Germany, it is also illegal for the contribution to be effected under the Young plan. The amount of annual contributions under the Dawes as well as under the Young plan are 660,000,000 gold marks. One difference is that the bonds which were delivered by the railway, according to the Dawes plan, will be destroyed, and in lieu thereof the railway must deliver a certificate acknowledging that the debt will be paid. A further difference is that in the Dawes plan annual payments were called contributions but under the Young plan they will be called taxes. This is flagrantly an instance of doing in an indirect way what can not be legally done in a direct way and is absolutely illegal.

If competent legal German authority is to be believed—and I am relying on the opinion of Doctor Hüfner, who is councillor of the Reichsgericht, a position similar to a member of the Supreme Court of the United States—the promoters of the Dawes plan have completely disregarded the German laws. This must necessarily continue to create a chain of irregularities with disastrous consequences.

For your further information, I desire to call your attention to paragraphs on pages 773-774 of the Reichsgesetzblatt No. 95, 1920, as follows:

SECTION 5.—SECURITY

1. The Reich is pledged to pay the amounts of interest and amortization for the consolidated debts which it has assumed, and for that part of the settlement which was not covered by taking over the debts of the states in the first place, from the gross surplus of the Reich Railway Administration (surplus of the ordinary revenues over continuous expenses). The items of income and expenditure which are contained in chapters 3 and 87 of the budget of the Reich Railroad for the financial year 1918 are considered ordinary income and continuous expenditure. The responsibility of the Reich is not altered in case a gross surplus is not attained or in case the gross surplus does not suffice to cover the amounts of interest and amortization.

2. The capital and revenues of the Reich Railroad Administration are not responsible for debts incurred by the Reich prior to April 1, 1920.

3. Upon the demand of a state, the Reich, in order to safeguard for the states that part of the settlement allowing time for payment, will grant a lien to the land and other property belonging to the railroad enterprises of the Reich.

SECTION 8.—SALE, MORTGAGE

The Reich must have the sanction of the state governments to any sale or mortgage of the railroads which have been acquired under this contract.

If contrary views are held by the creditors of Germany in regard to this matter, they can not alter the facts. If they are accepting, as they apparently are, the decision of the Reichstag, they must also accept the higher German authority of the Reichsgericht. Because of these facts, the bonds, when issued, will be subject to repudiation. I consider this matter of the highest importance and point to the fact that the colossal war debt in Europe is not considered to be a commercial debt, and in authoritative German quarters it is no secret that they propose to take advantage of this irregularity. Also I would point to the fact that the late Minister Stresemann disclosed categorically that Germany means to pay only for a period of 10 years, while the Young plan contemplates payment over a period of 58 years. So just suppose that we are to believe the statement of that most distinguished statesman in regard to this matter; that in 10 years there will be billions of dollars worth of German reparation bonds in the United States, owned by our citizens, purchased through the Bank of International Settlements and the house of J. P. Morgan & Co., indirectly assisted by the Federal reserve system. What will the situation be in this country if repudiation takes place? And I call your attention specifically to Article IV of the Constitution of the United States, by which financial obligations of the various States are restricted to the United States. A number of the States of this Union have taken advantage of this restriction to repudiate the debts contracted to foreign countries, and I point to the fact that this repudiation by the States is still a matter of serious controversy between England and the United States.

Mr. RAMSEYER. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. RAMSEYER. With regard to the statement of Herr Stresemann, was that made in a public address before the Reichstag? I never heard of it before.

Mr. McFADDEN. I hold in my hands at this time a copy of the London Times dated June 25, 1929, and refer to an article headed Reparations—Germany and the Young Plan. It is dated Berlin, June 24, and is from the London Times correspondent, reporting the proceedings of that day, in which the language of Stresemann was quoted.

Mr. RAMSEYER. Was that speech made in the Reichstag?
Mr. McFADDEN. In the Reichstag. I read:

"Do you think," Herr Stresemann asked the Nationalists, "that any member of the Government regards the Young plan as ideal? Do you believe that any individual can give a guaranty for its fulfillment? Do you believe that anybody in the world expects such a guaranty from us? The plan would only represent in the first place a settlement for the coming decade. The point is whether it loosens the shackles which fetter us and lightens the burdens which we have yet to fulfill."

I am citing this to show that here is apparently a precedent which is of very great moment affecting the validity of these reparation bonds.

In connection with the possible repudiation, I desire to quote from the February 15, 1930, issue of the London Economist, page 351, an article headed The Reichstag and the Young Plan, which refers to the bill then pending before the Reichsrath as the "Bill for the Enslavement of the German People," saying that this is as the German Nationalists have dubbed the bill to ratify the Young plan, and on the question of possible repudiation, I quote from this article following:

The most interesting contribution to the debate was the description by the Minister of Finance, Doctor Moldenhauer, of what would happen if Germany demanded a moratorium. The creditor powers would forthwith declare a moratorium for their payments to America, and the whole matter would then have to be fundamentally reconsidered. * * * The most doubtful point in this forecast is the suggested ability and willingness of the creditor powers to suspend payments to America. Whether such a moratorium were declared or not, it is perfectly plain that any fundamental revision of the Young plan settlement must depend on the attitude toward the war debts adopted by the United States, and it is well that Germany should realize that fact.

Press reports under date of February 24 indicate that—

The ratification by the Reichstag of the Young plan and Germany's various liquidation pacts may now be deferred until the middle of March owing to the Cabinet's inability to complete its program of financial reforms. Dr. Paul Moldenhauer, Minister of Finance, has not been able to find a solution to the vexed problem of meeting the old and new deficits with which he is confronted by the change in the present method of including unemployment doles in the regular budget. * * * The secret debate on the Young plan and the liquidation of the pacts which has been going on for the past 10 days in the joint sessions of the Reichstag's budget and foreign relations committees will be concluded this week, but no plan of agreement has yet been reached with respect to the proposal of having the liquidation pact with Poland linked up with the Young plan.

Competent legal authorities, among them Dr. Walter Simons, former president of the Reich supreme bench, allege that the terms of the German-Polish treaty involve a constitutional amendment. Such a procedure, Doctor Simons asserts, demands the sanction of the German people. As Doctor Curtius, the foreign minister, insists that the understanding with Poland should be ratified with the Young plan, there is the further prospect that the Government will not be able to clear its slate of the various complications in time to permit the second and third readings of its reparation laws before next week, and there is a strong possibility that the Reichstag may not reach a final vote before the middle of March.

This indicates that Germany is still struggling with the ratification of the Young plan.

So much for the Bank for International Settlements.

Now, in regard to the indicated change of Federal reserve policy referred to in the same article that noted the sailing of Governor Harrison, of the Federal Reserve Bank of New York, which indicated that the recent course of the foreign exchange market here has carried the price of a number of European currencies, notably the franc and the sterling, to levels little above those at which gold might be expected to flow here from abroad, and that banking authorities in this country are understood to be opposed to a movement of gold from Europe to the United States, and means to avert such a development will, it is thought, be discussed when Governor Harrison confers with the governors of the Bank of England and the Bank of France.

I insist that it would be more to the point and more to the best interests of the American people if this contemplated change in policy were inaugurated in the United States at this time rather than in London, Paris, or Rome where the central bank management are about to meet in connection with the organization of the Bank for International Settlements.

In speaking of the gold situation, the article further states that the recent period of high money rates and world-wide stock speculation, although it has been succeeded by a collapse of security prices and a general reduction of money rates, has left in its wake a number of difficult situations with respect to international credit conditions which also will come up for dis-

cussion during Governor Harrison's visit abroad; and in addition it states that the central banking authorities in this country desire to avoid an influx of gold to this market, and points, as the best way to avert such a gold flow, to the possible purchase of bills in the London market by the Federal Reserve Bank of New York.

In extenso, bankers are quoted as saying that they regard it as a possibility that a still further cut in the reserve rate may be ordered after while, not merely as a measure of cooperation with Europe but also to stimulate American business; and they point to the fact that there is some dispute, however, as to whether a lower discount rate will be either justified or efficacious, saying that a number of important bankers felt that present money rates give a false impression of the true condition of credit. All of which tends to indicate that we are on the eve of an important change in Federal reserve policy, which changes of late have come about as a result of conferences like the one that is now scheduled to take place in Europe.

And as further indicated in the article, to which I have just referred, to avoid the possible shipment of gold from England and Europe to the United States, we are about to purchase millions of dollars' worth of English bills. It seems to me that it is about time that we had a clarification of our views regarding the purpose and significance of our banking policy and its effect on the money market and upon general business. The crash of last October has taken stock prices and brokers' loans out of the field of Federal reserve activity, I hope, for all time; and the experience of the Federal reserve management in this respect has undoubtedly changed their inclination to govern its future banking policy by reference to the condition of the stock market. This situation does, however, tend to bring out the fact that the Federal reserve system should now adopt some definite working rule upon which to base and regulate, so far as possible, its discount and open-market policies.

A careful perusal of the financial statements of all member banks will show that the total loans and investments are about as high as they were prior to the deflation and that the total volume of Federal reserve credit at present outstanding has scarcely been diminished; and, of course, in this the direct question of future policy is involved. Therefore the management should look the situation squarely in the face and determine whether it is advisable to attempt a forcible restriction of Federal reserve credit, or whether it should, taking into consideration the business situation over the next few years, permit a further expansion of credit.

We may as well make up our minds that unless there is a great influx of gold into this country there will remain permanently outstanding for some time to come at least a minimum of \$500,000,000 of Federal reserve credit. Whether this credit shall be in the form of rediscounts or investments is purely a matter of policy and not especially important. It is important, however, to know whether or not the Federal reserve system believes that it is advisable, and the thought has been running in the minds of some in the determination of policy, whether within the next few years we should not entirely curtail the use of Federal reserve credit. In this connection we should recognize the fact that if we should reduce the present outstanding Federal reserve credit, amounting to from a billion two hundred fifty million to a billion five hundred million, it would mean a contraction in the loans and investment of member banks of approximately \$15,000,000,000. This presupposes, however, that there is not in the meantime imported or produced in this country a billion and a quarter to a billion and a half worth of gold.

In view of this situation, is it not important that some definite statement of the purpose of the open market and rediscount policies of the Federal reserve system be announced? An examination of recent Federal reserve operations would indicate that there is no present desire of the reserve banks to bring about a total elimination of reserve-bank credit.

During the late stock-market fiasco, the Federal reserve system pursued a policy toward reduction of member bank security loans to eliminate the use of Federal reserve credit in the stock market, and there was much discussion and many exaggerated notions regarding the effect of these outstanding security loans. I am sure that this experience has taught the Federal reserve management that the total volume of brokers' loans is not so important as is the stock price structure and the value of collateral upon which these loans are based. We are not hearing so much about brokers' loans as we did prior to the crash of last October since which crash the administration and the heads of big business have been conferring, and quite properly so, to overcome the shock of this financial debacle. For some time past certain important elements have indicated a great economical change, particularly in the constantly decreasing international and wholesale price levels. The constantly declining price levels on commodities in this country tends to mark and

confirm a material change in our conditions. There is nothing that will help more to rehabilitate business in this country and give it assurances abroad than an announcement by the Federal reserve management of the factor that will govern its future policy.

It is perfectly patent that the Federal reserve policy can not now be governed entirely by an effort to protect the gold reserve, because the reserve is now beyond our needs and far above the legal-reserve ratio; and from its recent experience I think it can be well said that it will not be their policy to control security loans. The thing the country wants to know is: What, then, will govern Federal reserve policy?

If the system is to pursue a policy which would result in the liquidation entirely of the present outstanding Federal reserve credit, it will mean higher interest rates in general and will tend to have a depressing effect upon prices, business, and industry, and will thus accentuate the further decline of the present lowering price levels. And it would seem, therefore, because of the present economic conditions that the future policy of the system must be to adopt a policy which will permit a gradual increase of credit so as to accommodate business and industry, at least to the existing price levels; and it would also seem that this policy must be based upon the assumption that neither a rising nor a general level of prices due to banking policy is desirable. It would seem clear to me that this is the lesson which the management of Federal reserve has had by a scrutinizing of their experiences during the past two years.

Much has been said regarding the inflation and deflation policy of the Federal reserve system of 1920 and 1921. We must recognize, however, that in this connection during this period the system was not free and was not permitted to work independently of the Treasury, as construed by the then Secretary of the Treasury, who felt that, in order to float the Victory loan, a certain amount of inflation was necessary which was followed immediately thereafter by the inevitable deflation of 1920 and 1921. It was during this period and shortly thereafter that the Federal reserve began to operate under new policies and newly discovered powers and new determinations governing Federal reserve policy.

We should remember, however, that the maintenance of the gold reserve ratio has never been the basis for the establishment of Federal reserve policy, and during the past two years the two factors to which I have already referred were paramount in the formation and carrying out of policy: First, the attempt to restore the gold standard in Europe in the summer of 1927 when the discount rate was lowered to 3½ per cent, which resulted in the shipment of \$500,000,000 worth of gold to Europe and the release of an excessive amount of credit here; and, second, the attempt to prevent the diversion of the Federal reserve credit into the market, which culminated in the statement of the Federal Reserve Board on February 6, 1929, and was further carried out during the past summer.

I desire to read into the RECORD at this point a letter which I have just received from a professor of finance of the University of Pennsylvania, referring to a recent article of mine in the February 15 issue of the Saturday Evening Post, as follows:

UNIVERSITY OF PENNSYLVANIA,
Philadelphia, February 21, 1930.

HON. LOUIS T. MCFADDEN,
Chairman Committee on Banking and Currency,
House of Representatives, Washington, D. C.

DEAR MR. MCFADDEN: I am very much interested in your article *Convalescent Finance* appearing in the February 15 issue of the Saturday Evening Post. I was particularly impressed by your statement concerning the meddling of the Federal Reserve Board in the condition of the stock market, and also the influence of the foreign central banking officials on the decision reached by the Federal reserve authorities in determining their policies. I agree with you wholeheartedly on these two points. It seems to me that the Federal reserve authorities in their attempts to bring about a decrease in public participation in the securities market have brought about a business situation which is a great deal worse than was the speculation in the securities market. The evil effects of a depression, even though it be slight, are such that certainly a central banking system ought at all times to utilize its facilities in an effort to avert such a situation. The reserve authorities applied such violent methods to cure the disease speculation that the patient (business activity) was practically killed. In other words, the cure was worse than the disease.

I am of the opinion that the heads of our banking system are perhaps not quite as astute bankers as some of the managers of the central banks of Europe, and therefore extreme care should be used in entangling alliances or engagements with European central banks.

Articles such as yours will, I am sure, be helpful in bringing this important matter to the attention of the public. Incidentally you may

be interested in learning that the reading of the article has been given as an assignment to the group taking the course in banking offered by this institution.

Very truly yours,

LUTHER HARR,
Assistant Professor of Finance.

This Saturday Evening Post article was on the financial crash of last October and also dealt with the international financial situation. Because of its bearing on this particular discussion, I am going to ask unanimous consent to insert it in the RECORD, as well as two additional articles pertaining to this same subject published on July 20 and October 19, 1929.

I also desire to insert in the RECORD at this point extracts of an editorial in the Financial Chronicle of February 22, 1930, commenting on my discussion of February 10 on this same subject:

After Mr. MCFADDEN's address, the Journal of Commerce again referred to the subject, in its issue of February 14. This article we also reproduce, as follows:

"Chairman MCFADDEN, of the House Committee on Banking and Currency, has furnished, in an address on the floor of the House, a review of the objects and methods of those who are organizing the new International Bank, which ought to have the attention of everyone who is interested in the future welfare of our foreign trade, and of our domestic finance as well.

"We do not need to go into the specific details stated by Mr. MCFADDEN, or to consider the individual and firm names which he uses, to reach a conclusion that the general state of things which Mr. MCFADDEN complains of—viz, the surreptitious participation of the reserve banking system in an enterprise (the International Bank), for which it has no legal power of affiliation, and in which the President has already directed that no Federal reserve bank shall share—is unquestionably as described, and unquestionably serious. Mr. MCFADDEN gives a detailed story of events that have received practically no public attention whatever, but are of the greatest national significance. We may differ as we will about the League of Nations and the international debts, and a variety of other questions to which this matter is allied, but we can not doubt the absolute necessity of maintaining control of our own international relationships and of having them dealt with by qualified and authorized representatives of the public. That condition is not now being fulfilled, but quite the contrary.

"Mr. MCFADDEN quotes the statement of one of the officers of the local reserve bank (since denied by the latter, but amply confirmed by those who heard it as well as borne out by events), to the effect that the reserve banking system will act as correspondent to the new establishment, and will make 'important deposits of gold' in it. He further calls special attention to the fact that the statutes of the new establishment have been prepared in such a way as to avoid the necessity of getting any legislative sanction or support. Precisely the same statement is being made in England at this same time. Thus there is no reason to doubt the actual facts as set forth by Mr. MCFADDEN, and amply confirmed by many who are cognizant with them.

"In these circumstances it seems a shortsighted policy for the press to minimize Mr. MCFADDEN's efforts or to sneer at the state of things to which he has called attention. It is, in fact, a real state of affairs which he sets forth, and the problem it presents is one that comes close to the very root of our whole present system of international, economic, and financial arrangements. Why should it not be fully discussed? Mr. MCFADDEN has done valuable work in directing attention to it."

It remains only to add, as emphasizing the need of getting implicit assurances that the gold holdings of the reserve banks are not, in large part or in small part, in the shape of deposits or otherwise, to be put at the command of the Bank for International Settlements; that Gates W. McGarrah, Federal reserve agent at New York, is to be the head of the International Settlements Bank; that W. Randolph Burgess, assistant reserve agent at New York, spent weeks in Europe last year to lend a helping hand in the organization of the new institution; and that last night George L. Harrison, at present governor of the Federal Reserve Bank of New York, sailed for Europe aboard the White Star liner *Majestic* for some unannounced purpose, yet one not unlikely to be associated with the setting up of the new institution. All this tends to establish such close and intimate relations with the International Bank that inasmuch as the reserve banks carry the entire gold reserves of the country, and it is a matter of such vital importance that these reserves shall not be treasured upon, it behooves every thoughtful person to see to it that the reserve banks maintain a position of absolute independence free from any alliance with the new institution in conformance with the order of the President and the Secretary of State.

I desire also to insert an editorial from the February 12 issue of the Baltimore Sun, as follows:

ABOVE THE BOARD

It is pleasing to hear Chairman MCFADDEN, of the House Banking and Currency Committee, voicing on the floor of Congress his conviction

tion that the United States is being hooked up with the International Bank, called for by the Young plan. It is not that this is necessarily a dangerous departure or that there is anything to sit up nights about in Mr. McFADDEN's charge that "we are being led by a group of clever internationalists" and the house of Morgan. There is, indeed, a great deal that the International Bank can do in the field in international finance that can be most definitely helpful to the United States, and a good case can be made for direct and straightforward American participation in the effort.

The strength of Mr. McFADDEN's remarks lies in the fact that they call to attention what is clearly recognized in most financial circles, namely, that the United States and its Federal reserve system is going to be involved in the International Bank's operations for all practical purposes, but that it is pussy footing in by the back door. If Mr. McFADDEN can use his place in the House to clarify the true nature of this transaction, and thus strengthen the case for "open covenants openly arrived at," he can make a valuable contribution to the good cause of straightforward dealing.

The Federal reserve system should discontinue their attempt to control the flow of credit for speculative purposes and they should learn the lesson by a careful scrutiny of the results of such a policy during the past two years. I know that they disclaim the power to control speculation, and I have repeatedly said that it is beyond their control, and it is beyond their province, and not a proper action for them to attempt to control stock speculation.

On February 7, 1929, the day following the announcement by the Federal Reserve Board of their second warning in regard to the credit situation which marked a complete change of Federal reserve policy and established the policy of deflation, I said in a speech in the House, among other things that—

I do not understand at this time that the gold reserve is in danger, nor do I see any indication of a general rise in the commodity price level, and because of these facts, I do not think that the Federal reserve system should concern itself about the condition of the stock market or of the security loan market.

I desire to quote from a speech I delivered before the American Bankers' Association in Philadelphia on October 1, 1928, as follows:

"The Federal reserve system is charged with a grave responsibility in dealing with this situation because it would be easy for them to produce a business slump without intending to do so. In this connection, it is interesting to note the views of a leading British authority on the subject of finance, who is a student and close observer of our Federal reserve operations: 'I am now more concerned lest the Federal reserve authorities should accidentally bring about a general business depression by attempting to take action toward the stock markets which, however well meant, is not really compatible with the system's duty toward business. I think the Federal reserve system may have been quite right to try to frighten the speculators a few months ago, but this having failed, I think they would be much better advised to leave Wall Street alone and let it boll over of itself, rather than do things which, if continued, will certainly put at risk the general prosperity of the country * * *'

"There is a tendency to pay too much attention to the spectacular action of the stock market. But we should remember that the business man, the worker, and the farmer are not greatly concerned as such about stock speculation. Their chief interest is in the continuity of business and of the stability of general prices, which serve as a guide to industrial activity and help to maintain employment, wages, and profits.

"I do not think that the Federal Reserve System should at the present time concern itself about security loans unless there is a tendency to speculation in commodities, which means a disturbance in the industrial mechanism. To disturb industry merely to prevent stock speculation seems to me to be unwarranted and would work a gross injustice upon the business man and the working man. This I suggest might be the result of an abortive attempt to restrict speculative and investment activities by banking policy."

I do not think, after what happened last October and the subsequent business depression, which began to show in certain important lines last June, that I need make any further comment at this time, as the very thing that I suggested might occur, has occurred. The system should profit by the experiences of the past two years.

I believe that there is a way to control the unwarranted diversion of credit for speculative purposes and that it can be done by restricting the limit upon the amount which banks may loan on particular stocks. This is a matter entirely in the hands and under the discretion of the banks of the country and not a Federal reserve matter, and this restriction can be regulated by the banks to cover speculative loans and not loans for legitimate business purposes. Such a regulation would tend to protect the solvency of individual banks throughout the country who, during

times of stock boom prices, take stocks as collateral for loans at prices far exceeding their values. Such a policy of limiting local value on stocks would also have a tendency to reduce the great amount of fixed liquidation which takes place during every crash and tends to so upset the confidence of the country.

I insist that if the Federal reserve system is to properly pursue its policy of accommodating commerce and business by its control of member banks' reserves, and indirectly the volume of member-bank loans, it must get rid of the responsibility to adapt this policy to the control of stock speculation.

On several occasions during the past year I have invited the attention of the country to the possible danger of mixing our Federal reserve system and its policies with international policies and the International Bank. Matters now are proceeding at such a rapid pace in regard to such involvement that I do not think I should temporize any longer with this possibility, and I am, therefore, introducing two resolutions in the House to-day calling on the State Department and the Secretary of the Treasury, respectively, for full information in regard to this matter. I believe that this House and the country at large need to know the facts. [Applause.]

In further confirmation of what I have said I append here an article in to-day's New York Journal of Commerce headed "Broad Powers for Reparations Bank," being extracts from a speech delivered yesterday in New York City before the Bond Club by Jackson E. Reynolds, president of the First National Bank of New York, who was one of the two American experts to work out the details of organization of the Bank for International Settlements.

BROAD POWERS FOR REPARATIONS BANK SEEN BY REYNOLDS—FIRST NATIONAL CHAIRMAN OUTLINES SCHEME FOR WAR PAYMENTS—MAY BECOME DEPOSITORY OF WORLD'S GOLD—VISIONS COORDINATION OF CENTRAL INSTITUTIONS THROUGH INTERNATIONAL BANK

The coordination of the central banks of the world will be one of the major by-products of the formation of the Bank for International Settlements, declared Jackson E. Reynolds, chairman of the First National Bank, yesterday in an address before the luncheon meeting of the Bond Club. Mr. Reynolds was the chairman of the committee which drafted the charter of the International Bank.

He pointed out the possibility that the bank may gradually become the depository of the gold of the world or some part of it. Indicating that the bank will have the authority to borrow from and lend to central banks, he said that it is possible that such functions may be developed and come in time to resemble the interdistrict borrowings of the Federal reserve system. Furthermore, he continued, the bank will undoubtedly buy and sell long-term securities.

BANK'S LIMITATIONS

Although the bank will enjoy these broad powers, Mr. Reynolds pointed out, its operations nevertheless will be subject to various limitations indicated in the charter. Among these he included the provision that it may not undertake any operation in any country against the objection of the central bank of that country and the absence of acceptance powers to the bank. The bank will have no powers of note issue.

In the first part of his address Mr. Reynolds outlined the scheme under which the bank will be trustee for the transfer of reparations payments. This latter part of the address was given to the consideration of its additional powers. Respecting these, he declared in part:

"In the first place, one by-product of the institution will be to coordinate the central banks of the world. You can see it is a natural evolution, that the board of directors that will probably have on it most of the heads of the central banks of Europe, and some others from other parts of the world, who will be meeting ten times a year; for men that are engaged in central banking who have international problems and heretofore have not met very often, there will be a kind of a forum, from which a great deal of good will follow through coordination of the central banks' operations among themselves, in addition to what they accomplish through the bank itself.

"The bank has authority to buy and sell gold, and it is an interesting field of speculation to the extent in which its work in that domain will grow. The possibility of the bank gradually getting the confidence of the world, and having the gold of the world, or some part of it, deposited by the owners, and transferred by book credits and earmarks, indicates a very considerable potentiality for the saving of money in the loss of interest on gold in transit, the freight while it is moving, insurance, and other expenses which we have avoided in comparable ways in the Federal reserve system in America.

"The bank has authority to borrow from central banks and lend to central banks. Its operations in that respect will very possibly grow, as they have here in the borrowing and lending between the various districts of the Federal reserve system. They will inevitably deal with exchange in large volume, and in the lowering of the transfer rate of these reichsmarks into the currency of the various creditor powers who are to receive them.

"It will have a considerable power to attract permanent deposits which will find their place in long-term investments and will undoubtedly buy and sell securities of long maturity. It is supposed it will naturally deposit with a good many of the central banks, and receive deposits from a good many of the central banks. It will have agency relationships with the central banks of the world, in some cases acting as agent for them and in some cases their acting as agent for it. All of these are broad powers which time alone can tell the extent to which they will be extended."

WORLD WAR VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for permission to have until Saturday night at midnight in which to file minority views on a bill reported from the Committee on World War Veterans' Legislation.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 3422. An act to authorize the Tidewater Toll Properties (Inc.), its legal representatives and assigns, to construct, maintain, and operate a bridge across the Patuxent River south of Burch, Calvert County, Md.; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5415. An act to legalize a bridge across the Choctawhatchee River between Hartford and Bellwood, Ala.;

H. R. 5573. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 7260. An act authorizing Oscar Baertch, Christ Buhmann, Fred Reiter, and John W. Shaffer, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Alma, Wis.;

H. R. 7631. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Presidio, Tex.; and

H. R. 7828. An act granting the consent of Congress to the State of Montana or the county of Richland, or both of them, to construct, maintain, and operate a free highway bridge across the Yellowstone River at or near Sidney, Mont.

The SPEAKER also announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 117. Joint resolution for the relief of farmers in the storm, flood, and/or drought-stricken areas of Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, Ohio, Oklahoma, Indiana, Illinois, Minnesota, North Dakota, Montana, New Mexico, and Missouri.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President for his approval bills of the House of the following titles:

On February 21, 1930:

H. R. 1018. An act to provide for the establishment of a Coast Guard station at or near Grand Rapids, Mich.

On February 26, 1930:

H. R. 5415. An act to legalize a bridge across the Choctawhatchee River between Hartford and Bellwood, Ala.;

H. R. 5573. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 7260. An act authorizing Oscar Baertch, Christ Buhmann, Fred Reiter, and John W. Shaffer, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Alma, Wis.;

H. R. 7631. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Presidio, Tex.; and

H. R. 7828. An act granting the consent of Congress to the State of Montana or the county of Richland, or both of them, to construct, maintain, and operate a free highway bridge across the Yellowstone River at or near Sidney, Mont.

ADJOURNMENT

Mr. McFADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Thursday, February 27, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, February 27, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To consider general legislation before the committee.

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Proposing an amendment to the Constitution of the United States (H. J. Res. 114, H. J. Res. 11, H. J. Res. 38).

Proposing an amendment to the eighteenth amendment of the Constitution (H. J. Res. 99).

Proposing an amendment to the Constitution of the United States providing for a referendum on the eighteenth amendment thereof (H. J. Res. 219).

Proposing an amendment to the eighteenth amendment of the Constitution of the United States (H. J. Res. 246).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To consider branch, chain, and group banking as provided in House Resolution 141.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

344. A letter from the Secretary of War, transmitting draft of a bill to authorize appropriations for Field Artillery instruction activities; to the Committee on Military Affairs.

345. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment under the Architect of the Capitol for the fiscal year 1931, in the sum of \$116,395 (H. Doc. No. 305); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EVANS of Montana: Committee on the Public Lands. H. R. 8713. A bill granting land in Wrangell, Alaska, to the town of Wrangell, Alaska; without amendment (Rept. No. 757). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOUSER: Committee on Pensions. H. R. 6997. A bill granting pensions to the crews of vessels owned or chartered by the United States and engaged in the transportation of troops, supplies, ammunition, or materials of war during the war with Spain, the Philippine insurrection, or the China relief expedition, and for other purposes; without amendment (Rept. No. 758). Referred to the Committee of the Whole House on the state of the Union.

Mr. SNELL: Committee on Rules. H. Res. 169. A resolution providing for the consideration of H. R. 7998, H. R. 8361, H. R. 9553, and H. R. 9592, all bills reported by the Committee on the Merchant Marine and Fisheries; without amendment (Rept. No. 759). Referred to the House Calendar.

Mr. HALL of Indiana: Committee on the District of Columbia. H. R. 6595. A bill authorizing the exchange of 663 square feet of property acquired for the park system for 2,436 square feet of neighboring property, all in the Klinge Ford Valley, for addition to the park system of the National Capital; without amendment (Rept. No. 760). Referred to the House Calendar.

Mr. HALL of Indiana: Committee on the District of Columbia. H. R. 6596. A bill to effect the consolidation of the Turkey Thicket Playground, Recreation, and Athletic Field; without amendment (Rept. No. 761). Referred to the House Calendar.

Mr. HAUGEN: Committee on Agriculture. H. J. Res. 153. A joint resolution to correct section 6 of the act of August 30, 1890, as amended by section 2 of the act of June 28, 1926; without amendment (Rept. No. 769). Referred to the House Calendar.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 9845. A bill to authorize the transfer of Government-owned land at Dodge City, Kans., for public-building purposes; with amendment (Rept. No. 771). Referred to the House Calendar.

Mr. HAUGEN: Committee on Agriculture. H. J. Res. 200. A joint resolution authorizing acceptance of a donation of land, buildings, and other improvements in Caddo Parish, near Shreve-

port, La.; without amendment (Rept. No. 770). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 9483. A bill to amend the act of February 21, 1929, entitled "An act to authorize the purchase by the Secretary of Commerce of a site and the construction and equipment of a building thereon for use as a constant-frequency monitoring radio station, and for other purposes"; without amendment (Rept. No. 772). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. SCHAFER of Wisconsin: Committee on Claims. H. R. 887. A bill for the relief of Mary R. Long; with amendment (Rept. No. 762). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 1825. A bill for the relief of David McD. Shearer; with amendment (Rept. No. 763). Referred to the Committee of the Whole House.

Mr. COLTON: Committee on the Public Lands. H. R. 3203. A bill to authorize the city of Salina and the town of Redmond, State of Utah, to secure adequate supplies of water for municipal and domestic purposes through the development of subterranean water on certain public lands within said State; with amendment (Rept. No. 764). Referred to the Committee of the Whole House.

Mr. HAUGEN: Committee on Agriculture. H. R. 6209. A bill for the relief of Dalton G. Miller; without amendment (Rept. No. 765). Referred to the Committee of the Whole House.

Mr. HAUGEN: Committee on Agriculture. H. R. 6210. A bill to authorize an appropriation for the relief of Joseph K. Munhall; without amendment (Rept. No. 766). Referred to the Committee of the Whole House.

Mr. HAUGEN: Committee on Agriculture. H. R. 6211. A bill for the relief of A. H. Cousins, district fiscal agent, United States Forest Service; without amendment (Rept. No. 767). Referred to the Committee of the Whole House.

Mr. SWING: Committee on the Public Lands. H. R. 9169. A bill for the relief of the successors of Luther Burbank; with amendment (Rept. No. 768). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4177) granting an increase of pension to Martha E. Daugherty; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10181) granting an increase of pension to Thomas S. Garen; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10269) for the relief of Sterrit Keefe; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PARKER: A bill (H. R. 10288) to regulate the transportation of persons in interstate and foreign commerce by motor carriers operating on public highways; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Washington: A bill (H. R. 10289) to provide quota limitations for certain countries of the Western Hemisphere, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SEIBERLING: A bill (H. R. 10290) authorizing certain importers of sugar into the United States from the Argentine Republic during the year 1929 to submit claims to the Court of Claims; to the Committee on Agriculture.

By Mr. VINSON of Georgia: A bill (H. R. 10291) authorizing the State Highway Board of Georgia, in cooperation with the State Highway Department of South Carolina, the city of Augusta, and Richmond County, Ga., to construct, maintain, and operate a free highway bridge across the Savannah River at or near Fifth Street, Augusta, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. GRIFFIN: A bill (H. R. 10292) to amend the longshoremen and harbor workers' compensation act; to the Committee on the Judiciary.

By Mr. DOMINICK: A bill (H. R. 10293) to provide for the inspection of the battle field of Star Fort, S. C.; to the Committee on Military Affairs.

By Mr. CARTER of Wyoming: A bill (H. R. 10294) to confer upon the States of Wyoming, Montana, and Idaho the right to tax certain properties in Yellowstone National Park; to the Committee on the Public Lands.

By Mr. EDWARDS: A bill (H. R. 10295) to provide for investigations and experiments in preserving and shipping watermelons, cantaloupes, and other truck crops, by the Secretary of Agriculture, for use in domestic and foreign trade, and for securing new and better markets therefor; to the Committee on Agriculture.

By Mr. COCHRAN of Missouri: A bill (H. R. 10296) to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the war with Spain; to the Committee on Naval Affairs.

By Mr. DUNBAR: A bill (H. R. 10297) providing for the payment of civilian employees of the Government for any period of suspension from duty while under unsustained charges of official misconduct; to the Committee on the Civil Service.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of Legislature of the State of New Jersey memorializing the Congress of the United States to authorize and direct United States Shipping Board to sell all those properties situated in the city of Hoboken, N. J., relative to sale of docks in Hoboken; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H. R. 10298) granting back pension due John J. Hagarty; to the Committee on Pensions.

By Mr. CARLEY: A bill (H. R. 10299) granting a pension to Otto A. Granholm; to the Committee on Pensions.

By Mr. CHALMERS: A bill (H. R. 10300) for a preliminary examination and survey of the Maumee, Wabash, and St. Marys Rivers in Indiana and for the construction of a canal; to the Committee on Rivers and Harbors;

By Mr. CRAIL: A bill (H. R. 10301) for the relief of certain officers of the United States Public Health Service; to the Committee on Claims.

Also, a bill (H. R. 10302) granting a pension to Charles S. Durbin; to the Committee on Pensions.

Also, a bill (H. R. 10303) granting a pension to Clyde O. McDaniel; to the Committee on Pensions.

By Mr. CROSSER: A bill (H. R. 10304) granting a pension to Michael R. Patchan; to the Committee on Pensions.

By Mr. DOMINICK: A bill (H. R. 10305) for the relief of W. H. Hughs; to the Committee on Claims.

Also, a bill (H. R. 10306) for the relief of Henry I. Power; to the Committee on Military Affairs.

Also, a bill (H. R. 10307) for the relief of Hugh Hilburn; to the Committee on Military Affairs.

By Mr. DUNBAR: A bill (H. R. 10308) for the relief of A. H. Lamppin; to the Committee on Claims.

By Mr. FITZGERALD: A bill (H. R. 10309) for the relief of Bernis Brien; to the Committee on Claims.

By Mr. HUGHES: A bill (H. R. 10310) for the relief of Samuel Pelfrey; to the Committee on Military Affairs.

By Mr. HULL of Wisconsin: A bill (H. R. 10311) granting a pension to Cora E. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10312) for the relief of George W. Bryant; to the Committee on Military Affairs.

Also, a bill (H. R. 10313) granting a pension to Charlotte C. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10314) granting a pension to Bertha Rusco; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 10315) granting a pension to Charles Chestnut; to the Committee on Pensions.

Also, a bill (H. R. 10316) granting an increase of pension to Jane Cooper; to the Committee on Invalid Pensions.

By Mr. KVALE: A bill (H. R. 10317) for the relief of Samuel S. Michaelson; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 10318) granting an increase of pension to Margaret F. Sanderson; to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 10319) granting an increase of pension to Livonia Perkins; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10320) granting an increase of pension to Margaret Lloyd; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 10321) granting an increase of pension to Nancy L. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10322) granting an increase of pension to Sarah C. Babcock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10323) for the relief of Henry C. Sexton; to the Committee on War Claims.

Also, a bill (H. R. 10324) for the relief of certain purchasers of lots in Harding town site, Florida; to the Committee on the Public Lands.

By Mr. PERKINS: A bill (H. R. 10325) for the relief of persons who furnished labor, material, or money for the construction of the Barling bomber; to the Committee on Claims.

By Mr. RANSLEY: A bill (H. R. 10326) for the relief of William H. Stroud; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 10327) granting a pension to Richard Payne; to the Committee on Pensions.

By Mr. SCHNEIDER: A bill (H. R. 10328) to authorize the Secretary of the Treasury to pay to Simon Kahquados, chief of the Wisconsin and Michigan Band of Potawatomie Indians, the sum of \$5,000 for services rendered his tribe; to the Committee on Indian Affairs.

Also, a bill (H. R. 10329) authorizing the Secretary of War to cause a preliminary examination and survey of Oconto Harbor, in the State of Wisconsin; to the Committee on Rivers and Harbors.

By Mr. SEIBERLING: A bill (H. R. 10330) granting a pension to Mary Calkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10331) granting a pension to Addie Calkins; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 10332) granting a pension to Louisa E. Stoddard; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 10333) granting an increase of pension to Leonora W. Morgan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10334) granting an increase of pension to Eliza M. Bagley; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 10335) granting an increase of pension to Emma J. Mahaffey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10336) granting an increase of pension to Aleathia E. Strine; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 10337) granting an increase of pension to Margaret E. Frazier; to the Committee on Invalid Pensions.

By Mr. WOLVERTON of New Jersey: A bill (H. R. 10338) granting an increase of pension to Sarah F. Grime; to the Committee on Invalid Pensions.

By Mr. WOLVERTON of West Virginia: A bill (H. R. 10339) granting an increase of pension to Virginia C. Montgomery; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5085. By Mr. BAIRD: Memorial of city commission of the city of Sandusky, Erie County, Ohio, urging the enactment of House Joint Resolution 167; to the Committee on the Judiciary.

5086. By Mr. BLOOM: Petition of citizens of Nashville, Tenn., opposing the calling of an international conference by the President of the United States, or the acceptance by him of an invitation to participate in such a conference, for the purpose of revising the present calendar, unless a proviso be attached thereto definitely guaranteeing the preservation of the continuity of the weekly cycle without the insertion of the blank days; to the Committee on Foreign Affairs.

5087. By Mr. BRUNNER: Petition of the Corporal John Ruoff Post urging Congress to retain the Star-Spangled Banner as the national anthem of the United States; to the Committee on the Judiciary.

5088. By Mr. CHINDBLOM: Petition of C. S. Kennedy and 55 other citizens of Chicago, Ill., indorsing House bill 2562 and Senate bill 476 providing increased pensions for Spanish-American War veterans; to the Committee on Pensions.

5089. By Mr. COLTON: Petition of certain citizens of Utah urging the passage of legislation for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

5090. By Mr. CONNOLLY: Petition of the Jacquard Beneficial Union, No. 1, of Philadelphia, Pa., protesting against the methods used by the A. C. Sanford Co., of Montgomery, Ala., in em-

ploying labor for the construction of the United States veterans' hospital, at Coatesville, Pa.; to the Committee on Labor.

5091. By Mr. COOPER of Wisconsin: Memorial of members of Edwin L. Jones Post, No. 91, American Legion, Oconomowoc, Wis., urging the passage of House bill 7389 providing for the redemption in payment of all outstanding adjusted-service certificates in cash on and after March 1, 1930; to the Committee on Ways and Means.

5092. Also, memorial of the Polish White Eagle Society branch of Polish National Alliance of Kenosha, Wis., urging the enactment of House joint resolution 167 directing the President of the United States to proclaim October 11 of each year as General Pulaski memorial day; to the Committee on the Judiciary.

5093. By Mr. COYLE: Resolution of the common council of the city of Bethlehem, Northampton County, Pa., urging the enactment into law of House Joint Resolution 167, directing the President to proclaim October 11 of each year as General Pulaski memorial day; to the Committee on the Judiciary.

5094. By Mr. DAVIS: Petition of citizens of Tullahoma, Tenn., in behalf of Senate bill 476 and House bill 2562, providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5095. By Mr. DEMPSEY: Petition signed by 74 residents of Buffalo, N. Y., urging speedy consideration and passage of House bill 2562; to the Committee on Pensions.

5096. By Mr. GAMBRILL: Petition of citizens of Gambrills, Md., favoring the passage of Senate bill 476 and House bill 2562 for the relief of Spanish-American War veterans and their dependents; to the Committee on Pensions.

5097. By Mr. GREEN: Petition of citizens of O'Brien, Suwannee County, Fla., urging passage of House bill 2562, providing for an increase of Spanish-American War pensions; to the Committee on Pensions.

5098. Also, petition of citizens of Ocala, Fla., urging passage of House bill 2562 granting increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

5099. By Mr. HANCOCK: Petition of P. Sydney Hand and other residents of Onondaga County, N. Y., favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

5100. By Mr. KVALE: Petition of 52 residents of Osakis, Minn., urging speedy enactment of House bill 2562; to the Committee on Pensions.

5101. By Mr. LEA of California: Petition of John A. Anderson and 30 other citizens of Petaluma, Calif., and vicinity, urging passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5102. By Mr. MAPES: Petition of 21 residents of North Park, Grand Rapids, Mich., recommending the early enactment by Congress of Senate bill 476 and House bill 2562 proposing increased rates of pension to veterans of the war with Spain; to the Committee on Pensions.

5103. By Mr. NEWHALL: Petition of Louis J. Weiss and 81 other citizens of Kenton County, Ky., urging the speedy consideration and passage of House bill 2562 and Senate bill 476 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5104. By Mr. O'CONNELL of New York: Petition of the Spanish Royal Mail Line Agency (Inc.), New York City; Selma Mercantile Corporation, New York City; and Alatory Mica Co. (Inc.), New York City, favoring the passage of the Linthicum-Moses bill, S. 292; to the Committee on Foreign Affairs.

5105. Also, petition of the trustees of the New York Public Library, office of the secretary, New York City, with reference to section 305 of House bill 2667; to the Committee on Ways and Means.

5106. Also, petition of New York State Farm Bureau Federation, Ithaca, N. Y., favoring the passage of House bill 8870 and Senate bill 3216, the Capper-Kelly bill, for increased Federal aid to the States for the advancement of agricultural extension; to the Committee on Agriculture.

5107. Also, petition of the Better Business Bureau of New York City, favoring the passage of House bill 9769 providing for an enforceable law against commercial bribery in interstate commerce; to the Committee on the Judiciary.

5108. By Mr. OLIVER of New York: Petition of the trustees of the New York Public Library, regarding the interpretation of section 305 of House bill 2667, prohibiting the importation of printed matter dealing with treason or insurrection; to the Committee on Ways and Means.

5109. By Mr. PEAVEY: Petition of citizens of Superior, Wis., in behalf of the bill to increase pensions for veterans of the Spanish War; to the Committee on Pensions.

5110. By Mr. FRANK M. RAMEY: Petition of Lena M. Ramey and Ruth Reynolds, of Hillsboro, Ill., and other residents of the twenty-first district of Illinois, urging increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5111. By Mr. RANSLEY: Petition of citizens of Philadelphia, Pa., urging speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5112. By Mr. ROMJUE: Petition of Ralph L. Smith, J. M. Gates, Dr. F. L. Bigsby, and others, of Kirksville, Adair County, Mo., asking for passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5113. By Mr. SIMMONS: Petition of 36 citizens of Long Pine, Ainsworth, Newport, and Chadron, Nebr., also copy of resolution adopted by the City Council of Long Pine, Nebr., asking speedy consideration and passage of pending bills providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5114. By Mr. STALKER: Petition of the citizens of Elmira, N. Y., and Ithaca, N. Y., urging Congress for the passage of the bill exempting dogs from vivisection in the District of Columbia or in any of the Territorial or insular possessions of the United States; to the Committee on the District of Columbia.

5115. Also, petition of the citizens of Owego, N. Y., urging Congress for the passage of Senate bill 476 and House bill 2562, providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War; to the Committee on Pensions.

5116. Also, petition of the citizens of the District of Columbia, urging Congress for the passage of Senate bill 476 and House bill 2562, providing for an increase in pension for the veterans of the Spanish War; to the Committee on Pensions.

5117. Also, petition of the citizens of Tompkins County, urging Congress for the passage of Senate bill 476 and House bill 2562, providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War; to the Committee on Pensions.

5118. By Mr. STRONG of Kansas: Petition of Addie E. Anderson and other citizens of Concordia, Kans., urging immediate enactment of legislation to increase the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5119. By Mr. SWING: Petition of several hundred of the voters of the eleventh congressional district of California, urging the exemption of dogs from vivisection; to the Committee on the District of Columbia.

5120. Also, petition of 28 of the residents of the eleventh congressional district of California, urging the passage of the Robison-Capper school bill; to the Committee on Education.

5121. By Mr. WOOD: Petition of citizens of Gary, Ind., asking legislation granting increased rates of pension for soldiers of the Spanish-American War; to the Committee on Pensions.

SENATE

THURSDAY, February 27, 1930

(Legislative day of Monday, January 6, 1930)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senator from Washington [Mr. JONES] is entitled to the floor.

Mr. FESS. Will the Senator yield to me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Ohio for that purpose?

Mr. JONES. I do.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Copeland	Hale	McNary
Ashurst	Couzens	Harris	Metcalf
Baird	Cutting	Harrison	Moses
Barkley	Dale	Hastings	Norbeck
Bingham	Deneen	Hatfield	Norris
Black	Dill	Hawes	Nye
Blaine	Fess	Hayden	Oddie
Blease	Fletcher	Hebert	Overman
Borah	Frazier	Heflin	Patterson
Bratton	George	Howell	Phipps
Brock	Glass	Johnson	Pine
Brookhart	Glenn	Jones	Pittman
Broussard	Goff	Keyes	Ransdell
Capper	Goldsbrough	La Follette	Robinson, Ind.
Caraway	Greene	McCulloch	Robison, Ky.
Connally	Grundey	McKellar	Schall

Sheppard
Shortridge
Simmons
Smith
Smoot
Steck

Steiwer
Stephens
Sullivan
Swanson
Thomas, Idaho
Thomas, Okla.

Townsend
Trammell
Tydings
Vandenberg
Wagner
Walcott

Walsh, Mass.
Walsh, Mont.
Waterman
Watson
Wheeler

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the Naval Arms Conference meeting in London, England.

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is unavoidably absent. This announcement may stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MEMORIALS

The VICE PRESIDENT laid before the Senate the memorial of Division No. 794, the Amalgamated Association of Street and Electric Railway Employees of America, of Wichita, Kans., remonstrating against the passage of the bill (S. 2559) to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes, which was referred to the Committee on the Judiciary.

He also laid before the Senate the memorial of the faculty of the Dropsie College for Hebrew and Cognate Learning, of Philadelphia, Pa., remonstrating against any change in the existing calendar which would contain the device of a blank day or any other device whereby the days of the week would be altered and the continuity of the Sabbath disarranged, which was referred to the Committee on Foreign Relations.

BUYING OF WHEAT FROM COOPERATIVES

Mr. WHEELER. Mr. President, I ask unanimous consent to have inserted in the RECORD a telegram from the Equity Cooperative Association, Farmington, Mont., with reference to the action of the National Grain Corporation in buying wheat from member cooperatives. I hold in my hand 16 other telegrams, which are almost identical, the signatures to which I also ask may be printed in the RECORD.

There being no objection, the telegram referred to was ordered to be printed in the RECORD, as follows:

FARMINGTON, MONT., February 27, 1930.

B. K. WHEELER,

Washington, D. C.

The action of the National Grain Corporation and/or Federal Farm Board in buying wheat only from member cooperatives is in our opinion disastrously discriminating and contrary to American principles of fair trade. This policy not effective relief all farmers as many towns have no cooperatives, and independents and stock companies serve them though they do not come under limits of cooperative act. Use of public moneys for favorites is contrary to American principles; can only result disastrously. We vigorously protest such action as unfair means of forcing farmers and cooperative elevators into the Federal farm program whether they want to or not. We find our farmers strongly protesting and not in favor Farm Board's policy.

EQUITY COOPERATIVE ASSOCIATION.

The signatures to the 16 other telegrams, all from the State of Montana, are as follows:

The Joplin Grain Co., of Joplin; the Farmers' Elevator Co., of Dutton; the Equity Cooperation Association, of Hobson; the Equity Cooperation Association, of Ulm; the Judithgap Elevator Co., of Judithgap; John Murden, of Salem; the W. C. Mitchell Co., of Great Falls; R. S. Oday, of Great Falls; Charles Norn-ing, of Ulm; C. L. Crane, of Great Falls; J. F. Oday, of Great Falls; W. W. Bowman, of Salem; P. A. Standley, of Ulm; John Rickert, of Ulm; Judithgap Elevator Co., of Oxford; and the Acme Elevator Co., of Acme.

REPORTS OF NOMINATIONS

As in open executive session,

Mr. BORAH, from the Committee on Foreign Relations, reported the nominations of sundry officers in the Diplomatic and Foreign Service, which were placed on the Executive Calendar.

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, reported sundry post-office nominations, which were placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 3749) for the relief of Inez C. Salazar; to the Committee on Claims.